

## ROANOKE CITY COUNCIL

February 7, 2005

9:00 a.m.

The Council of the City of Roanoke met in regular session on Monday, February 7, 2005, at 9:00 a.m., in the Emergency Operations Center Conference Room, Room 159, Noel C. Taylor Municipal Building, 215 Church Avenue, S. W., City of Roanoke, with Mayor C. Nelson Harris presiding, pursuant to Chapter 2, Administration, Article II, City Council, Section 2-15, Rules of Procedure, Rule 1, Regular Meetings, Code of the City of Roanoke (1979), as amended, and pursuant to Resolution No. 36762-070604 adopted by the Council on Tuesday, July 6, 2004.

PRESENT: Council Members Brian J. Wishneff, M. Rupert Cutler, Beverly T. Fitzpatrick, Jr., Sherman P. Lea, Brenda L. McDaniel, and Mayor C. Nelson Harris-----6.

ABSENT: Council Member Alfred T. Dowe, Jr. -----1.

The Mayor declared the existence of a quorum.

SCHOOL TRUSTEES PRESENT: William H. Lindsey, Gloria P. Manns, Alvin L. Nash, Courtney A. Penn, Robert J. Sparrow, David B. Trinkle, and Kathy G. Stockburger, Chair-----7.

ABSENT: None-----0.

OFFICERS PRESENT: Representing the City of Roanoke: Darlene L. Burcham, City Manager; William M. Hackworth, City Attorney; Jesse A. Hall, Director of Finance; and Mary F. Parker, City Clerk.

Representing the Roanoke City School Board: Doris N. Ennis, Acting Superintendent; Cindy H. Lee, Clerk to the School Board; and Timothy R. Spencer, Assistant City Attorney and Legal Counsel to the School Board.

SCHOOLS-COUNCIL: The Mayor expressed appreciation to Members of the School Board for taking time from their busy schedule to meet with Council. He called attention to monthly meetings attended by the Mayor, Chair of the School Board, the City Manager and the Acting Superintendent of Schools to discuss issues of benefit to both bodies in an effort to move forward on matters of mutual interest and concern.

Chair Stockburger expressed appreciation to Council for meeting with the School Board in a more informal type setting. She reported on the following activities:

Superintendent Search:

- A meeting was held with the search firm last week and the School Board is excited about not only the number of applicants, but the caliber of applicants who have applied for the position.
- Pursuant to Section 2.2-3712 (b), Code of Virginia, 1950, as amended, the School Board will conduct a Closed Meeting within the next 15 days for the purpose of interviewing candidates for the position of Superintendent.
- The School Board is on schedule for interviews, barring any unforeseen inclement weather, and it is hoped to make an announcement regarding the selection of a new Superintendent by February 28.
- The search process has gone well, the relationship with the search firm has been excellent and the product generated to this point has gone beyond expectations.
- A specific criteria was developed to discuss which of the 125 inquiries, representing 38 States, would result in the top candidates; not all inquiries resulted in a full application, and over 60 complete applications were received.
- The top six candidates have been identified and will be interviewed over the next seven to ten days.
- Top candidates will be introduced to the public.
- The process included public input from the beginning to determine the types of candidates that the School Board was looking for and the Board has not deviated from the established criteria.

School District Update:

- The Patrick Henry High School renovation project is proceeding on schedule.
- The same process is anticipated with regard to the William Fleming High School renovation/construction project, with the first public input meeting to be held on February 16 at 5:30 p.m., in the William Fleming High School Cafeteria.
- The William Fleming building will not be the same as the Patrick Henry High School facility, but will be customized to fit the needs of the school.
- There is a positive attitude by parents, students and teachers about the Patrick Henry project.
- The opening for Roanoke Academy of Mathematics and Science (RAMS) has been delayed due to certain construction issues; however, teachers are positive about the brief delay in construction.

In view of recent publicity that the fire wall was extended to the ceiling instead of to the roof at the RAMS structure which delayed the opening date, question was raised with regard to the circumstances surrounding the oversight.

The Acting Superintendent of Schools responded that in today's society, one cannot be too safe when children will occupy a facility. The Chair advised that the RAMS building must be constructed to the specifications that the School Board believes is necessary prior to occupancy. The observation was made that either the architect or the engineer should have discovered the error early on in the construction process.

Crystal Y. Cregger, Manager, Purchasing of Contract Services, advised that School officials met with City officials, including the Building Commissioner, all of whom have been most helpful in addressing the situation. She Stated that the contractor did not call for inspections as the work progressed, therefore, the Building Commissioner did not have an opportunity to discover the error; four job superintendents have worked on the project and the Building Commissioner's Office and the City Manager's Office have been supportive of efforts to resolve issues.

With regard to Patrick Henry High School construction/renovation, Ms. Cregger reported that the contractor and the architect discovered an error in the specifications for fire proofing which will be addressed through a pending change order.

The Chair advised that whenever incidents of this nature occur, the School Board is even more vigilant when looking at the next project.

The City Manager advised that a “Clerk of the Works” is assigned to large City projects because the contractor/architect should not also be responsible for inspections. She explained that a third party contractor or employee is present for onsite reviews which is key to major construction projects.

An observation was made that the Roanoke Academy of Mathematics and Science is the first new school to be constructed in the City of Roanoke in approximately 25 – 30 years and with completion of Patrick Henry and William Fleming High Schools in the next decade, the three schools should be showcased and publicized as much as possible.

#### Safety Task Force Recommendations:

- Recommendations are continuing to be implemented which have served as a model of intentional input in a methodological way, resulting in certain changes in some of the schools. It is hoped that a model can be replicated in the schools when various issues demand a level of attention.
- Conflict remediation training for students has been implemented across the board in elementary schools and it is hoped to implement conflict mediation training for parents as well.
- A number of hard pieces have been implemented, such as cameras in the schools, enhanced training and de-escalation training is almost complete; 80 teachers have participated in de-escalation training, who, in turn, visit other schools as a team to train staffs.

- The Acting Superintendent of Schools serves as point person for recommendations of the School Safety Task Force.
- Youth courts have been established and are successful as a new pilot program; the William Fleming Youth Court will start during this semester; the Patrick Henry Youth Court started last year; the Youth Court is effective because it gives students the responsibility of accountability and is congruent with the mediation process.
- Middle Schools have established peer remediation programs.

Council Member Lea entered the meeting.

- Two new alternative education programs have been established; i.e., New Start, which addresses students in the third and fourth grades who are experiencing difficulty in terms of attentiveness, are not academically successful, and have behavior problems, students have the benefit of one on one instruction, and five students participate in the Morningside Elementary School program and eight to nine students participate in the program at Hurt Park Elementary School. As the program continues, Adolescent Uplift will be offered at the middle school level and will provide a ripple effect in terms of students attending the Noel Taylor program. The Noel Taylor Alternative Education Program has approximately 200 students who attend school from 7:30 a.m. to 6:00 p.m.; with a dual program year, some students arrive at 2:30 p.m., and they are taught by an adjunct staff from Patrick Henry and William High Schools. Teaching staff work with those students who otherwise might become drop outs or those who have experienced difficulty in a larger school setting. Blue Ridge Technical Academy is doing well.
- The Chair volunteered to provide Council with a one page summary listing all alternative education programs, with a brief description, including the Governor's School and CITY School, etc.
- The terminology "alternative education" may be changed to "adjunct education program," or some other terminology because "alternative education" implies behavioral problems which is not totally true with today's students who are involved in other situation such as jobs that require modified schedules, etc.

- In addition to safety issues, there is a need to focus on instruction; some schools have not made AYP and some schools are not accredited, therefore, it will take a community effort in conjunction with Central Council PTA Executive staff to involve the entire community, and a detailed presentation will be made at an upcoming School Board meeting.
- Bench mark testing is done to analyze accomplishments of students in terms of objectives that need to be met at the end of the school year when they take the Standards of Learning test, which provides a diagnostic prescriptive testing of learning in order to focus on individual student needs.
- Central Council PTA no longer represents all of the schools, some schools are represented by a body that acts on behalf of all students. Central Council PTA will host an annual event including a model night in which they will invite all principals, PTA representatives, and parent representatives from those schools where there is no PTA to address such basic activities as feeding the child a good breakfast, the disadvantage of engaging in family conflicts on the night before a test, the importance of getting to school on time, etc. The Executive staff will present information on the importance of testing and it is hoped that the initiative will become an annual event and that an assessment night will be held in each school in the division.
- Some of the schools that do not have Parent Teacher Associations have strong parental involvement, each school is defined by a different school culture and those schools that do not have a viable PTA are some of the same schools that have a strong school based leadership team composed of parents who serve on a committee and make decisions; and school based leadership teams are composed of students, parents, teachers and the PTA President if the school has an active PTA.
- Research continues to be done by executive staff with regard to the extended school day. When looking at the School schedule, there are enough minutes in the School day, but the question centers around how those minutes are used. Transportation is being reviewed in terms of how much time is used to transport students, i.e.: the feasibility of elementary school, middle school and high school students reporting to school at different times throughout the school day.

### School Uniforms:

- There is an ongoing review of school uniforms as well as a school dress code; dress codes vary widely from school to school, a committee will review revamping the dress code, while allowing some flexibility between the uniforms; the committee will review a policy that would allow the individual schools to adopt a uniform with approval by 70 per cent of the parents; the policy would State how uniforms would be adopted at each individual school; it might be easier to initiate the pilot program at the elementary school level with the goal of bench marking those schools against other schools to determine what type of influence a uniform has on school safety, etc.
- If it can be determined that a school uniform helps education, safety, social environment, etc., the School Board has a responsibility to pursue the issue; it is hoped to have at least two pilot schools and a minimum requirement of time for the uniform program to be in place in order to attain numbers for bench marking purposes.

During a discussion it was noted that the Cities of Lynchburg and Norfolk have implemented school uniforms and question was raised as to whether data from those localities have been reviewed for bench marking purposes. It was pointed out that there is not a lot of available data, however, data from the City of Norfolk has been reviewed by the committee.

The Mayor advised that it would appear that school uniforms may have deeper impacts in certain areas that may not be quantified, i.e.: those children who do not have a variety of clothing as opposed to those who may not wear the same outfit for the next 15 days, which creates a social disparity among children that could lead to life long scars. He stated that if requiring a uniform could add some equilibrium to that kind of situation, while it does not solve a safety problem or an academic problem, it begins to modify a social stigma that is hard to measure or to quantify; therefore, a school uniform may have certain positive ramifications beyond that which can be measured.

The Assistant City Attorney was requested to comment on the threshold percentage for approval by parents of school uniforms, whereupon, he advised that the ranges are between 70 – 75 per cent which seems to be the norm in most localities; there is an opt in and an opt out requirement to give parents flexibility; and according to State law, public funds cannot be used to purchase uniforms, therefore, often times criteria is established through the Education Foundation to pay for uniforms for those children who receive free or reduced lunches.

Public/Private Education Act (PPEA):

- Council addressed the PPEA approximately one year ago which provides a way to place private funding and private risks to public projects. The School Board was provided with information on the Act in order to understand the guidelines established by Council and Council will be provided with guidelines to be established by the School Board.

Mr. Spencer advised that draft guidelines were modeled after the same guidelines that were adopted by Council and will be considered by the School Board at its March meeting. He referred to major changes at the State level with regard to what constitutes public purpose so that the PPEA can be used for more than just education, and internal guidelines will be developed on how to move various issues through the organization.

The City Manager offered the assistance of the City's Engineering staff to the School Board.

Roanoke City School Board Education Foundation:

- An overview of the Public School Foundation was provided, in addition to a compilation from the National School Board Association Library on websites where more information may be accessed, mission Statements from various currently operating Education Foundations, a list of the Board of Directors, By-laws and Articles of Incorporation that were approved by the School Board; and a list of Foundation programs funded by the City of Asheville, North Carolina.



- The purpose of the Education Foundation is not to provide basic school funding, but to provide for enhancements, scholarships, or those kinds of expenditures that will enhance student achievement.
- Education Foundations, which are being established all across the country, can provide creative ways to support the school division, and the City of Roanoke is positioning itself to provide an even better climate of learning for Roanoke's students to achieve within the framework of the Foundation.

There being no further business, at 10:40 a.m., the Mayor declared the Council meeting in recess.

The Chair declared the School Board meeting adjourned.

ITEMS LISTED ON THE 2:00 P.M., COUNCIL DOCKET REQUIRING DISCUSSION/CLARIFICATION, AND ADDITIONS/DELETIONS TO 2:00 P.M., AGENDA: NONE.

TOPICS FOR DISCUSSION BY THE MAYOR AND MEMBERS OF COUNCIL: NONE.

COMMITTEES–CITY COUNCIL: A communication from Mayor C. Nelson Harris requesting that Council convene in a Closed Meeting to discuss vacancies on certain authorities, boards, commissions and committees appointed by Council, pursuant to Section 2.2–3711 (A)(1), Code of Virginia (1950), as amended, was before the body.

Council Member McDaniel moved that Council concur in the request of the Mayor to convene in Closed Meeting as above described. The motion was seconded by Council Member Cutler and adopted by the following vote:

AYES: Council Members Cutler, Fitzpatrick, Lea, McDaniel, Wishneff, and Mayor Harris-----6.

NAYS: None-----0.

(Council Member Dowe was absent.)

CITY COUNCIL: A communication from the City Manager requesting that Council convene in a Closed Meeting to discuss acquisition of real property for a public purpose where discussion in open meeting would adversely affect the bargaining position or negotiating strategy of the public body, pursuant to Section 2.2-3711 (A)(3), Code of Virginia (1950), as amended, was before the body.

Vice-Mayor Fitzpatrick moved that Council concur in the request of the City Manager to convene in Closed Meeting as above described. The motion was seconded by Council Member McDaniel and adopted by the following vote:

AYES: Council Members Cutler, Fitzpatrick, Lea, McDaniel, Wishneff, and Mayor Harris-----6.

NAYS: None-----0.

(Council Member Dowe was absent.)

CITY COUNCIL: A communication from the City Manager requesting that Council convene in a Closed Meeting to discuss acquisition of real property for a public purpose where discussion in open meeting would adversely affect the bargaining position or negotiating strategy of the public body, pursuant to Section 2.2-3711 (A)(3), Code of Virginia (1950), as amended, was before the body.

Council Member Cutler moved that Council concur in the request of the City Manager to convene in Closed Meeting as above described. The motion was seconded by Vice-Mayor Fitzpatrick and adopted by the following vote:

AYES: Council Members Cutler, Fitzpatrick, Lea, McDaniel, Wishneff, and Mayor Harris-----6.

NAYS: None-----0.

(Council Member Dowe was absent.)

CITY COUNCIL: A communication from the City Manager requesting that Council convene in a Closed Meeting to discuss acquisition of real property for a public purpose where discussion in open meeting would adversely affect the bargaining position or negotiating strategy of the public body, pursuant to Section 2.2-3711 (A)(3), Code of Virginia (1950), as amended, was before the body.

Vice-Mayor Fitzpatrick moved that Council concur in the request of the City Manager to convene in Closed Meeting as above described. The motion was seconded by Council Member Cutler and adopted by the following vote:

AYES: Council Members Cutler, Fitzpatrick, Lea, McDaniel, Wishneff, and Mayor Harris-----6.

NAYS: None-----0.

(Council Member Dowe was absent.)

#### BRIEFINGS:

- Storm Water Update:

SEWERS AND STORM DRAINS: The City Engineer advised that approximately one month ago, Council was presented with copy of the Storm Drain CIP needs as prepared by the consultant, AMEC, who has continued to work on what a storm water utility could mean to the City of Roanoke in terms of fees, potential revenue, and how to retire some of the City's CIP needs. He introduced Doug Mosley and Elizabeth Treadway, representing AMEC, to continue the Council briefing.

Mr. Mosley reviewed the scope of the study which includes the program phase that will determine the level and extent of storm water management service based upon community needs and Capital Improvement Programming; and data development and analysis which will evaluate data needed to determine an equitable allocation of the cost of service. He noted that the study is designed to help the City reach a decision point concerning implementation of a storm water utility fee.

He advised that:

- Level and extent of service program objectives include: meet community service needs and expectations, address aging infrastructure (CIP backlog and maintenance), enhance flood plain management and flood mitigation capabilities and riparian habitat protection and restoration.

## Key Areas of Program Needs

### Reinvestment in the infrastructure

Total program costs:	\$695,000.00 annually
CIP needs:	\$57 million
Maintenance and operations needs:	\$1 million/annually

### Build capacity to maintain infrastructure

Increase capital spending: \$ 3 – 5 million annually

### Ensure compliance with regulatory mandates

#### Address water quality needs through CIP

- Specific program preliminary recommendations include:

Engineering Services; i.e.: target floodplain management– enhance CRS Program and maintain GIS data sets – keep system inventory current

Capital Construction; i.e.: address flooding – increase reinvestment program to eliminate backlog over the next 15 years and increase current system capacity through remedial maintenance

Operations and Maintenance; i.e.: enhance maintenance capabilities – add one four-person crew; and ensure effective performance by completing the inventory of storm sewer system and identifying current easements

General Administration; i.e.: educate the public – provide customer assistance resources.

- Preliminary Reinvestment Strategy:

#### Engineering services:

\$75,000.00 in year one (mapping and GIS support)  
\$97,000.00 in subsequent years to support CRS program and GIS

Capital construction:

\$3,200,000.00 in year one  
\$4,000,000.00 to \$5,800,000.00 in subsequent years

Operations and Maintenance:

\$1,000,000.00 annually

General Administration:

\$103,000.00 annually for customer assistance and education

Utility costs annually (billing system) – \$75,000.00

- Charts were reviewed explaining billing unit determination methodology – equivalent residential unit (ERU)
- Solid Waste Utility Fee Schedules from Norfolk, Virginia Beach, Portsmouth, Newport News, Hampton, Chesapeake and Prince William County were reviewed.

Council Member Cutler advised that he had numerous questions, however, in the interest of time, he would submit his questions to the consultants, with a copy of the response to Council.

Questions/comments by Council:

- A considerable amount of the City's flood water originates in Roanoke County, the City of Roanoke is surrounded by Roanoke County and the topography is down hill from the County through the City to the river, and anything the County does by way of development will exacerbate flood storm water runoff in the City. This should be closely coordinated with or tied into the study.

- The By-laws and Articles of Incorporation of the Western Virginia Water Authority provide for assuming responsibility for storm water management for both the City and the County at some future time, as well as the addition of other units of government. Other issues were mentioned such as low impact development, protection of water quality, potential day lighting of streams and rain gardens, and new technology that improves the environment while addressing storm water run off through easement inventory.
- The Western Virginia Water Authority has adopted a policy for the extension of utility lines and the Water Authority is encouraged to work with the Roanoke Valley Greenway Commission to obtain surface right-of-way for public access at the same time utility lines are extended, and the same should be true with respect to storm water easements, particularly closed pipe systems, with the surface to be opened to the public if possible.
- A clarification was requested as to what extent a storm water utility fee is required as apposed to optional. The City Engineer advised that the City can meet all requirements under the NPDES program with current funding allocations for water quality, therefore, a storm water utility is not required in order to meet those obligations. However, he stated that the City has a much larger need for capital projects for which no dedicated funding mechanism has been identified, and the list continues to grow each year.
- Percentage-wise, what can the current system handle? The City Engineer advised that it would be difficult to venture a guess on the percentage, however, it should be noted that the City of Roanoke is an older community, much of its infrastructure is in need of repair and a substantial need is not being addressed.
- Is the current requirement for water runoff a local or State requirement? The City Engineer responded that minimum standards are established by the State, and current requirements of the City provide that post development runoff cannot exceed pre development runoff from both the ten year storm and the two year storm in the City of Roanoke, and minimum State standards apply to the two year storm.

- If the list of CIP storm drainage projects is implemented, how would storm water runoff be impacted? The City Engineer responded that it would provide infrastructure as economic development occurs in the City; and the largest impact would be seen in development credits for those who go above and beyond minimum standards.
- Are there more regional solutions that CIP funds could be used for that would lessen the need for drainage? The City Engineer advised that staff reviewed the 1996 Valley Wide Storm Water Management Study, and of the \$57 million list, \$17 million of the projects identified in the study are located just within the boundaries of the City of Roanoke; and companion projects in Roanoke County, Botetourt County and Floyd County could be implemented if the storm water utility tax is approved.
- Would it make sense to bond rather than pay as you go? The City Manager responded that the City could bond, but she would be hesitant to recommend any type of fee that creates funds that the City cannot spend within a given time because the community's expectation, when a project is placed in the capital improvement budget, is to see the results of the project within the year; and quite often the project is not completed that quickly due to design, engineering and sometimes land acquisition issues. The City has started to break some projects into smaller pieces with the intent that in the first year X amount of dollars will be needed because X amount of the project will be completed. With a storm water utility fee, the community will expect fast results, and the start up year would involve a significantly smaller amount of money with the idea of spending funds to design the projects. There have been discussions with regard to how to spread the projects around the community so that more people would have the opportunity to see the impact of this type of fee, however, the real issue is whether the City has the necessary staff resources, both to oversee the design of projects followed by construction. Roanoke County has been invited to participate in the study, but has not indicated a willingness to be partners in the effort to move forward. The opportunity to enhance the value and the resale of homes in the City of Roanoke is impacted by whether or not the City addresses flooding that is occurring in many of its neighborhoods.

- A storm water management/storm water utility fee should be addressed at meetings of elected officials of the Roanoke Valley.

Lick Run Greenway:

GREENWAYS: The City Manager advised that an item is included on the formal Council agenda at 2:00 p.m., in regard to a negotiated Memorandum of Understanding that would establish a cooperative effort between the Virginia Department of Transportation and the City of Roanoke for the temporary use of non-limited access rights-of-way along I-581 between the Orange Avenue interchange and Walker Avenue on the west side of I-581. The City Manger further advised that the Agreement is for the temporary placement of a portion of the Lick Run Greenway on the VDOT non-limited access rights-of-way pending future roadway corridor modifications; the Memorandum of Understanding requires Council to request VDOT's permission to temporarily place a portion of the greenway on VDOT's non-limited access I-581 rights-of-way; and Council will be requested to agree to have the City of Roanoke apply all costs associated with removing the greenway at such time as future roadway corridor modifications necessitate its removal, if and when removal is requested by VDOT.

L. Donnie Underwood, Parks Planner, advised that a greenway serves as a habitat that may include many different types of geography, such as wet lands, rivers, plants, forests and fields; it is an area in the landscape along which water, animals, plants and people move; it is an area whose filtration prevents the passage of some things, but allows the passage of others; it is a resource within an urban climate that provides an unique edge of open space to adjacent communities; and properly defined and managed greenways can help wildlife overcome the effects of fragmentation by increasing the effective size of protected areas, creating access to different habitats and connecting wildlife populations.

He presented photographs of projects that have been completed such as Roanoke River/Wasena Park; Lick Run Phase I which began at Valley View Mall across I-581, down to Andrews Road that will go to bid in March-April and connect a portion of the greenway through Brown-Robertson Park and Washington Park, wrap around the Holiday Inn and end up at The Hotel Roanoke.



Mr. Underwood advised that an agreement has been reached with VDOT to allow the City to use the rights-of-way for the greenway on a temporary basis and if I-581 is widened, VDOT will work with the City to relocate the greenway within the I-581 right-of-way. He stated that at the location of the Holiday Inn, a significant bench cut/retaining wall system will be installed.

He presented slides containing examples of landscaping/architecture proposed for Walker Avenue in order to make the area more compatible with the Civic Center to The Hotel Roanoke, because it is believed that this will be the most used section of greenway in the City of Roanoke.

He reviewed the following costs:

Estimated Cost:	\$	1,368,438.00
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Funding Sources:

• General Fund	4,430.00
• Land Sale	125,110.00
• T-21 Grant	875,000.00
Transportation Funds	75,000.00*(10 <sup>th</sup> St.)
• TEA Enhancements 2004	33,000.00 (2 <sup>nd</sup> St.)
• CDBG Funding for Gainsboro	127,000.00
• Total Budget	\$ 1,239,540.00

- Photographs were presented of floodway design, timber amenities, markings, pull-outs, timber gating, native landscape, signage, and greenway map/kiosks, way finding downtown, and interpreted signage in Brown-Robertson Park and Washington Park to address the historic significance.

(See copy of power point on file in the City Clerk's Office.)

#### Gateway to the Civic Center:

ROANOKE CIVIC CENTER: The City Manager advised that Walker Avenue at the rear entrance to the Roanoke Civic Center has been of concern for some time as it relates to improvements to the back area through the Lick Run Greenway. She called upon staff for a presentation on proposed initial improvements to the rear entrance to the Civic Center, with the intent of adding certain other enhancements over time.

Brenda D. Landes, representing the City Engineer's Office, advised that:

- Council is requested to consider a project that would create an upgraded pedestrian connection between the Lick Run Greenway and the Civic Center at Walker Avenue.
- The existing pedestrian right-of-way is a dark and somewhat foreboding route and most people do not think of the area as a connection to the Civic Center because there are no amenities that would draw a pedestrian to the area.
- A multi phased project is proposed to create a more attractive, safe and inviting pedestrian way, with the first phase to include areas that would increase safety and awareness.
- Phase I would attempt to draw pedestrians to the area by increasing the quality and quantity of lighting; extend the sidewalk into one lane of the road; currently, the road is four lanes wide, but there is no need, traffic-wise, to have more than two lanes, although to accommodate emergency access is advisable to provide three lanes; and remove one of the existing pedestrian bridges and replace it with a bridge that is visually accessible and can be seen from Second Street, with an obvious pedestrian connection.
- Close off the ledge above the slope protection.
- Other potential enhancements include: decorative columns with bright colors through possibly a contest involving local artists and schools, etc., possibly covering the columns with mosaic tiles, etc., based on input by VDOT since the columns would have to be tested every two years, and commission a piece of art work or some type of active events board with landscaping.
- Other phases would serve to more directly connect the Lick Run Greenway and the Walker Avenue area with a more whimsical theme, such as installation of gateway signage at the entrance to Walker Avenue, sidewalk upgrade by installing color stamped

concrete to coordinate with that part of the greenway, substantially upgrade landscaping by installing a dry creek bed with stone walls and a boulder scope, install a wooden pedestrian bridge that would be a part of the Lick Run Greenway, while tying back into the connector piece that goes over the dry creek bed and remove the remaining pedestrian bridge.

The City Manager pointed out that as staff looked at the rear entrance to the Civic Center, Phase II improvements have been designed to allow entrance to the Civic Center from the rear without having to walk around the building. She stated that this is an area that needs special attention as expansion of the Civic Center occurs, and in an effort to encourage the movement of people between the Civic Center and the downtown area and to capture the opportunity for patrons to use downtown parking as much as possible for events and activities at the Civic Center; and a lighted greenway will cause the area to be used in a way that it has not been used to this point.

#### Questions/comments by Council:

- A formal stone wall surrounds Lick Run and standard lighting similar to lighting currently installed on Wells Avenue should be used.
- Signage should be placed on the side of the bridge so that there is less obstruction and any lights should be installed on the bridge proper, thereby making the bridge the grand entrance.
- The City's new branding logo could be placed on the wall with the event board which would create a source of pride.
- The section between Walker Avenue and Wells Avenue to The Hotel Roanoke will be the one lighted portion of the greenway which ties in with historic Gainsboro and the light poles that are currently in place.
- There are obvious benefits to respective staffs of the Engineering and Parks and Recreation Departments working together and it is hoped that the relationship will continue.
- Lick Run should be returned to a live stream with vegetation, and support was expressed for the day lighting of converted streams and returning streams to their natural condition whenever practical.

- There should be a way to embrace the Gainsboro community by identifying certain historic structures that previously existed.

Based upon comments by Council Members, the City Manager advised that it would appear that Council supports the current direction by staff. She stated that the project will be completed in phases, with completion of the first phase to complement the schedule for Civic Center Phase II Improvements.

At 12:00 p.m., the Council met in a joint session with the Architectural Review Board, Room 159, Noel C. Taylor Municipal Building, 215 Church Avenue, S. W., City of Roanoke, Virginia, with Mayor C. Nelson Harris and Chairman Robert N. Richert, Chair, Architectural Review Board, presiding.

ROANOKE CITY COUNCIL MEMBERS PRESENT: M. Rupert Cutler, Beverly T. Fitzpatrick, Jr., Sherman P. Lea, Brenda L. McDaniel, Brian J. Wishneff and Mayor C. Nelson Harris-----6.

ABSENT: Council Member Alfred T. Dowe, Jr. -----1.

ARCHITECTURAL REVIEW BOARD MEMBERS PRESENT: Alison S. Blanton, Barbara A. Botkin, Robert B. Manetta, James Schlueter, Jon J. Stephenson and Chairman Robert N. Richert-----6.

ABSENT: Board Member Donald C. Harwood-----1.

OTHERS PRESENT: Darlene L. Burcham, City Manager, William M. Hackworth, City Attorney; Jesse A. Hall, Director of Finance; Mary F. Parker, City Clerk; and R. Brian Townsend, Director, Planning, Building and Development; Anne Beckett, Agent; and Martha P. Franklin, Secretary, Architectural Review Board.

The meeting was opened with a prayer by Council Member Lea.

ARCHITECTURAL REVIEW BOARD-ANNUAL REPORTS: Following lunch, the Mayor welcomed members of the Architectural Review Board and staff to the meeting, and called on the Chair for presentation of the 2004 Annual Report of the Architectural Review Board.

Chairman Richert stated that one-half of the Certificates of Appropriateness that were issued were processed administratively by City staff and approved without consultation; and he was encouraged by infill development that had taken place on several vacant lots in the old southwest neighborhood with regard to the H-2, Historic District. He referenced several trends not reflected in the Annual Report, such as an increased number of applications in the H-2 districts in the Gainsboro, West End, Mountain View and Patterson Avenue neighborhoods. He indicated that property owners in those neighborhoods were not familiar with the historic district guidelines; therefore, the Board and City staff must raise their level of awareness.

Anne Beckett, Agent to the Board, advised that information provided by the Office of Real Estate Valuation indicated that between 2001 and 2005, property values in Old Southwest had increased 46% as compared to 32% in the Raleigh Court, Grandin Court and Wasena neighborhoods.

The Chair highlighted the following areas of concern:

Protection of infrastructure in the H-1 and H-2 historic districts, i.e.: streets, alleyways, etc.

The need for legislative action with regard to roofing and siding issues requiring building permits; and

It is imperative that inner-City and historic neighborhood property owners be protected, especially the residential neighborhoods on Marshall, Day and Elm Avenues.

#### COMMENTS BY COUNCIL/ARCHITECTURAL REVIEW BOARD MEMBERS:

Mayor Harris inquired about the rate of home ownership in historic districts and whether the rate had increased; whereupon, it was noted that the rate was about 52%. He requested that information pertaining to home ownership in historic districts be provided to the Members of Council.

The City Manager Stated that the City's Tax Abatement Program has been part of the trend in the Old Southwest community, and City staff has revised the program to further improve its use on a City-wide basis. She further stated that an additional tax credit of five years is given to a property owner if the property is converted to a lower density.

Mayor Harris inquired about the status of legislative updates; whereupon, the City Attorney responded that legislation authorizing localities to require building permits for installation of replacement siding, roofing and windows in buildings within historic districts was drafted, but because the City did not have a sponsor, the bill was not considered by the General Assembly. Due to the importance of the legislation, Mayor Harris suggested that he and Mr. Richert schedule a meeting with the City's representatives to the General Assembly to discuss the issue.

The City Manager suggested that surrounding localities that share an interest on similar issues should be contacted to lend their support and lobbying assistance.

In response to increasing public awareness with regard to property in the historic districts, Mr. Richert advised that City staff has initiated the following:

- Annual notification to all property owners in historic districts that their property is located in a historic district;

- Notification from the Department of Real Estate Valuation to property owners who have purchased property in historic districts advising of the guidelines applicable to property included in a historic district; and

- Notification to all contractors in the Roanoke Valley of the requirements for a Certificate of Appropriateness for improvements to property in a historic district.

Council Member Cutler expressed appreciation to the Architectural Review Board for its efforts and noted that the increase in property values in old southwest is something that the public should be aware of. He inquired if the Board had viewed the C2C housing projects on display at the Art Museum and if any of the designs would be appropriate in old southwest. Mr. Richert responded that he had viewed the designs, Members of the Board believe that several of the designs have potential, especially on a vacant lot on Day Avenue, S. W.; and the biggest challenge for the Board is the blend that affects the streetscape within a historic district.

Vice-Mayor Fitzpatrick expressed appreciation to the Board for its dedication and commended Old Southwest on its grace and ability to continue to push ahead. He also suggested that a press release be issued with regard to home ownership and information concerning the progress in Old Southwest.

With regard to certain concerns in connection with the proposed zoning ordinance, Mr. Richert advised that every parcel of land in the City of Roanoke will be rezoned under the new zoning ordinance. He further advised that most of the residential property in Old Southwest was zoned RM-2, Residential Multifamily, Medium Density District, and Old Southwest is promoting conversion of multi-family structures to single family homes. He stated that Old Southwest, Inc., has proposed that most of the old southwest neighborhood be zoned single-family in order to prevent conversions to multi-family structures.

The City Manager advised that the proposed new zoning ordinance will implement new overlay districts and contain legal restrictions with regard to zoning exclusively to one category. Mr. Townsend indicated that the proposed zoning ordinance will change how nonconformities are regulated.

Council Member Wishneff questioned the process for adding areas to the historic district; whereupon, Mr. Townsend advised that national and State designation is initiated by the property owner and local designation is approved by the Board or City Council. Chairman Richert added that there are parcels of land in the City of Roanoke that have a historic overlay, but are not included on State or national historic registers.

Council Member Wishneff inquired about a historic designation for tax purposes and whether it applied to home ownership; whereupon, Ms. Beckett Stated that very few applications were submitted by homeowners and the tax credits apply primarily to larger projects. Council Member Wishneff suggested that the public be aware that City staff is available to assist with completion of applications.

There being no further business to come before the Council and the Architectural Review Board, at 1:10 p.m., the Mayor declared the Council meeting in recess.

The Chair declared the meeting of the Architectural Review Board adjourned.

The Council meeting reconvened at 1:15 p.m., in Room 159, Noel C. Taylor Municipal Building, for a continuation of Council briefings, with all Members of Council in attendance, except Council Member Dowe, Mayor Harris presiding.

Fire-EMS Station No. 1:

James Grigsby, Chief, Fire/EMS, Stated that the briefing is a followup to questions and concerns raised by Council at the briefing which was held on Monday, January 3, 2005.

He advised that:

- The current Capital Improvements budget is \$5,041,840.00.
- The Council presentation on January 3, 2005, identified minimum estimated additional resources of \$301,740.00 (site construction and additional circulation in building due to site constraints)
- Desired "add backs" include:

Underground Electric Service	\$	20,000.00
Additional Fire Pole (2 total)	\$	18,000.00
Upgrade Exterior Finish (Add Precast)	\$	115,000.00
Roof Re-Design	\$	<u>35,000.00</u>
	\$	188,000.00

Items to be bid as alternates:

Fire Excursion Bay/Storage	\$	280,000.00
Additional Stair Flight between 2 <sup>nd</sup> and 3 <sup>rd</sup> floors	\$	<u>108,000.00</u>
	\$	388,000.00

- Minimum additional resources:

$$\$371,740.00 + \$188,000.00 = \$489,740.00$$

Independent cost estimates exceed this amount by \$503,500.00



- Funding Available from EMS Fee Revenue:

EMS Fee revenues can support over three years

Borrow from Flood Reduction Program and repay over three years

- Building designs identified as Options 1, 2 and 3 were reviewed.
- Staff prefers Option No. 3 because of the aesthetic appeal of a full gable roof.

Discussion/comments by Council:

The design will result in the closing of Fire Stations 1 and 3; therefore, Council Member Wishneff advised that he could not support the closing of Station No. 1 on Church Avenue because it is the oldest continuous operating fire station in the country.

The Mayor advised that the information provided by staff is responsive to the questions previously raised by Council. He concurred in the recommendation by staff with regard to Option No. 3 which is, aesthetically, the best. He added that the station will bring three elements together; i.e.: Station No. 3, Station No. 1 and the fire administration, and as Council and staff continue to move forward, there is a need for a certain level of sensitivity to old Fire Station No. 1. He stated a preference that Station No. 1 remain a City owned and operated facility, but he would not look with favor upon converting the building into a museum. He advised that he had previously inquired of the City Manager if old Fire Station No. 1 could be used in keeping with a public safety operation.

The City Manager advised that it has been suggested that the consultant engaged to study the City Market area will also look at Fire Station No. 1 as a part of the study to help identify the best use of the building in keeping with its historic significance, but not necessarily converting the building into a museum.

The Mayor advised that when the fire administration moved into The Jefferson Center, it was intended to be a temporary location and it was the City's way of providing funds to The Jefferson Center project; Fire Station No. 3 is in a deteriorated condition and is ill located, etc., therefore, providing a permanent residence for fire administration, closing Fire Station No. 3, bringing the elements of downtown and Old Southwest fire protection under one roof is the right thing to do, but there is a sensitivity to the future use of old Fire Station No. 1. He reiterated his previous remarks regarding the use of old Fire Station No. 1 for a public safety function.

The Mayor advised that he supports additions to the budget for Fire Station No. 3 which is responsive to the request of Council.

Council Member Cutler concurred in the remarks of the Mayor with regard to the future use of Fire Station No. 1. He spoke in support of Option No. 3 for Fire Station No. 3, and inquired about landscaping and at what point the Roanoke Arts Commission would be involved with regard to art acquisition for Station No. 3.

The City Manager advised that it was her understanding that the Roanoke Arts Commission does not wish to address specific recommendations or pieces of art until the Arts Master Plan is completed; the Arts Commission is aware of the project and if the Arts Commission would like to make recommendations for any of the buildings that are under design or construction, they may do so. She stated that the only other decision that the Council has made regarding the Arts Master Plan is an agreement to purchase the Best of Show each year from the Annual Art Show, with funds to be taken from the Percent for the Arts Program.

Chief Grigsby advised that with approval by the artist, it is proposed to move the fire fighters memorial from its current location at the entrance to the Virginia Museum of Transportation to Fire Station No. 3 to serve as an anchor art piece.

The Mayor left the meeting and the Vice-Mayor presided over the remainder of the work session.

Vice-Mayor Fitzpatrick advised that all options for Fire Station No. 1 should be explored, and some persons would prefer that Fire Station No. 1 become a fire and rescue museum since Roanoke was the first location to have a volunteer rescue squad. He stated that he would also prefer to retain the building as a City property, but all options should be explored because Roanoke is beginning to gain a reputation as a transportation mecca in terms of museums.

The Vice-Mayor noted that there appears to be a consensus of the Council to approve Option No. 3 for Fire Station No. 3.

Prior to her coming to Roanoke, the City Manager advised that a former Mayor had announced that not only would the City give old Fire Station No. 1 to the Julian Stanley Wise Museum, but the City would donate \$1 million for that purpose; however, she was advised by the Council that the Council had not participated in the decision, nor was the City Manager to consider such to be the direction by the Council to the City Manager.

Roanoke River Right-of-Way Proposed Riparian Corridor Overlay District:

Steven C. Buschor, Director, Parks and Recreation, presented information about the potential of developing a Riparian Corridor Overlay District in the City of Roanoke and the benefits associated with the District. He advised that:

- Internal benefits would allow the City to provide active/passive recreation opportunities, aesthetic and scenic views, environmental/ecological values which would preserve open space, maintain tree canopy, preserve water quality and habitat, serve as flood retention, and minimize erosion.
- External benefits would link neighborhoods to schools, retail and shopping areas and other parks; and serve as a buffer between land uses, and increased property valuation “Proximate Principle”
- “Proximate Principle” is defined as follows: In the green strip along the riparian corridor, it has been determined that property associated within 500 feet of a green space will increase in value and one of the benefits is called the “Proximate Principle.” The “Proximate Principle” uses an economic method that talks about how natural resources and application of natural resources impact associated property values; secondary benefits occur as the Corridor is developed and there is an opportunity for future economic development growth. The third component of the concept of “Proximate Principle” involves the willingness of persons to pay for higher valued property next to the green infrastructure which increases property values and assessment and ultimately increases property taxes.
- An example of the “Proximate Principle” is: If the City invests \$90,000.00 per year to service construction or renovation of a park, values of properties proximate to the park increase, annual property taxes paid by proximate principles incrementally increase, and the City is fully reimbursed its \$90,000.00 annual financial investment by the incremental increases which continues to cycle as properties are acquired.

- A graph was presented demonstrating the principle in linear fashion which shows that the closer the park is located to residential sections of property, the higher the appraisal value.
- The following is a short list of localities/organizations that have endorsed the "Proximate Principle:"
  - The National Recreation and Parks Association
  - Dr. John R. Compton, Texas A&M University
  - Frederick Law Olmstead
  - The Conservation Fund
  - Boston Park Commission
  - New York Department of Natural Resources
  - Kansas City Missouri
  - District of Columbia
  - Teton County, Wyoming
  - City of Fort Worth, Texas
  - City of Bellevue, Washington
  - American Planning Association
  - Trust for Public Lands
- Photographs were shown of unusual development along river corridors throughout the country, such as in Providence, Rhode Island, Reno, Nevada, Kansas City, Missouri, and Asheville, North Carolina.
- Photographs were shown with regard to the impacts to existing river corridors and on proximate values.

Mr. Buschor requested that Council support an effort to secure easements, rights-of-way, and the acquisition of land necessary to establish a "Riparian Corridor Overlay District" for the City of Roanoke.

R. Brian Townsend, Director, Planning Building and Development, advised that acquisition of easements and rights-of-way is different than regulating the use of property. He stated that the new zoning ordinance will include a River and Creek Overlay District for all contributories to the Roanoke River and clarified that the zoning ordinance does not acquire land, but restructures how land can be used; therefore, the zoning ordinance should not be perceived as a means of taking use of property.

The City Manager suggested that City staff provide Council with a list of currently owned City property, acquired easements and rights-of-way, following which Council could make a decision with regard to establishment of a program for acquiring property and creation of a Riparian Corridor Overlay District.

Dr. Cutler advised that he would favor City owned land along the Roanoke River to be designated as park land.

The Vice-Mayor advised that the consensus of Council is that the Riparian Corridor Overlay District concept should continue to be explored by City staff and that staff provide additional information with regard to what needs to be done based on the City's land, while taking into consideration the Comprehensive Plan and issues regarding zoning, etc.

Mr. Buschor advised that City staff will present a Council briefing with regard to those parcels of land that are currently owned by the City and those that should be pursued in connection with establishment of a Riparian Corridor Overlay District.

So that all processes will be together, the City Manager suggested that information also be included in connection with the proposed River and Creek Overlay District in the new zoning ordinance, in order for Council to see how the 50 foot requirement would affect City owned property, irrespective of easements, etc.

At 1:55 p.m., the Vice-Mayor declared the Council meeting in recess until 2:00 p.m., in the Council Chamber, 215 Church Avenue, S. W., City of Roanoke, Virginia.

The regular meeting of Roanoke City Council reconvened at 2:00 p.m., on Monday, February 7, 2005, in the Roanoke City Council Chamber, fourth floor, Noel C. Taylor Municipal Building, 215 Church Avenue, S. W., City of Roanoke, Virginia, with the following Council Members in attendance, with Mayor C. Nelson Harris presiding.

PRESENT: Council Members M. Rupert Cutler, Beverly T. Fitzpatrick, Jr., Sherman P. Lea, Brenda L. McDaniel, Brian J. Wishneff, and Mayor C. Nelson Harris -----6.

ABSENT: Council Member Alfred T. Dowe, Jr. -----1.

The Mayor declared the existence of a quorum.

OFFICERS PRESENT: Darlene L. Burcham, City Manager; William M. Hackworth, City Attorney; Jesse A. Hall, Director of Finance; and Mary F. Parker, City Clerk.

The invocation was delivered by Mayor Harris.

The Pledge of Allegiance to the Flag of the United States of America was led by Mayor Harris.

#### PRESENTATIONS AND ACKNOWLEDGEMENTS:

SISTER CITIES–ACTS OF ACKNOWLEDGMENT–SCHOOLS: The Mayor welcomed and introduced middle school students from Wonju, Korea, Roanoke's Sister City. He advised that students were participating in a student exchange program through William Ruffner Middle School and students from Roanoke's middle schools will visit Wonju this summer as a part of the exchange program. He presented the following students with an Honorary Citizen Certificate:

Nam Yun Kyung  
Im Jin Sol  
Kim Dan Bi  
Lee Je Hun  
Park Ji Yoon  
Jeon Sun Min  
Kang Na Ye  
Kim Hyung Min  
Kim Sung Wook  
Kim Jong Ul Rim  
Ha Seung Hoon  
Lee Jae Ho  
Park Eui Jeong

ACTS OF ACKNOWLEDGMENT–DECEASED PERSONS: Vice-Mayor Fitzpatrick offered the following resolution expressing sympathy upon the passing of Hunter Booker Andrews, former Virginia State Senator, on January 13, 2005:

(#36949-020705) A RESOLUTION memorializing the late Hunter Booker Andrews, who served as a Senator in the Virginia State Senate for 32 years.

(For full text of Resolution, see Resolution Book No. 69, Page 251.)

Vice-Mayor Fitzpatrick moved the adoption of Resolution No. 36949-020705. The motion was seconded by Council Member Lea and adopted by the following vote:

AYES: Council Members Cutler, Fitzpatrick, Lea, McDaniel, Wishneff, and Mayor Harris-----6.

NAYS: None-----0.

(Council Member Dowe was absent.)

The Mayor called for a moment of silence in memory of Mr. Andrews.

ACTS OF ACKNOWLEDGMENT-DECEASED PERSONS: Council Member Cutler offered the following resolution expressing sympathy upon the passing of Eunice R. Poindexter on Thursday, January 13, 2005:

(#36950-020705) A RESOLUTION memorializing the late Eunice R. Poindexter, a Roanoke native and former school teacher, church historian, and civil rights activist.

(For full text of Resolution, see Resolution Book No. 69, Page 252.)

Council Member Cutler moved the adoption of Resolution No. 36950-020705. The motion was seconded by Council Member Lea and adopted by the following vote:

AYES: Council Members Cutler, Fitzpatrick, Lea, McDaniel, Wishneff, and Mayor Harris-----6.

NAYS: None-----0.

(Council Member Dowe was absent.)

The Mayor called for a moment of silence in memory of Ms. Poindexter.

ACTS OF ACKNOWLEDGMENT-DECEASED PERSONS: Vice-Mayor Fitzpatrick offered the following resolution expressing sympathy upon the passing of William Armand Sowers, on Thursday, January 20, 2005:

(#36951-020705) A RESOLUTION memorializing the late William Armand Sowers, a long-time Roanoke resident, well-known architectural engineer, and member of the Planning Commission for 16 years.

(For full text of Resolution, see Resolution Book No. 69, Page 254.)

Vice-Mayor Fitzpatrick moved the adoption of Resolution No. 36951-020705. The motion was seconded by Council Member Cutler and adopted by the following vote:

AYES: Council Members Cutler, Fitzpatrick, Lea, McDaniel, Wishneff, and Mayor Harris-----6.

NAYS: None-----0.

(Council Member Dowe was absent.)

The Mayor presented a ceremonial copy of the above referenced measure to Mrs. Sowers, and called for a moment of silence in memory of Mr. Sowers.

PROCLAMATION-LIBRARIES: The Mayor presented a proclamation to Michael W. Ramsey, President, Roanoke Public Library Foundation, declaring the month of February 2005, as Love Your Library Month.

Council Member Cutler called attention to correspondence from Assistant City Manager for Community Development, Rolanda B. Russell, advising that the Comprehensive Library Study is experiencing significant progress in identifying community needs and concerns, the focus of the study was modified to include a regional perspective and staff of Roanoke City and Roanoke County is investigating the viability of a regional library system. He advised that he participated in a field trip to Phoenix, Arizona, with the Comprehensive Library Study Committee on February 3 and 4, 2005, nine libraries were visited by the Committee where they observed great architecture, outstanding programming, particularly for younger children and teens, and library rooms that were designed by teens for teens which have proven to be successful. He assured citizens of the Roanoke Valley that the Library Study is well under way and will lead to an outstanding library system in Roanoke.



CONSENT AGENDA

The Mayor advised that all matters listed under the Consent Agenda were considered to be routine by the Members of Council and would be enacted by one motion in the form, or forms, listed on the Consent Agenda, and if discussion was desired, the item would be removed from the Consent Agenda and considered separately.

MINUTES: Minutes of the regular meetings of Council held on Monday, December 6, 2004, and Monday, December 20, 2004, were before the body.

(For full text, see Minutes on file in the City Clerk's Office.)

Vice-Mayor Fitzpatrick moved that the reading of the minutes be dispensed with and that the minutes be approved as recorded. The motion was seconded by Council Member McDaniel and adopted by the following vote:

AYES: Council Members Cutler, Fitzpatrick, Lea, McDaniel, Wishneff, and Mayor Harris-----6.

NAYS: None-----0.

(Council Member Dowe was absent.)

EASEMENTS-APPALACHIAN POWER COMPANY-ROANOKE CIVIC CENTER: A communication from the City Manager requesting that Council schedule a public hearing for Tuesday, February 22, 2005, at 7:00 p.m., or as soon thereafter as the matter may be heard, in connection with conveyance of an easement across City-owned property to Appalachian Power Company at the Roanoke Civic Center facilities, was before the body.

Vice-Mayor Fitzpatrick moved that Council concur in the request of the City Manager. The motion was seconded by Council Member McDaniel and adopted by the following vote:

AYES: Council Members Cutler, Fitzpatrick, Lea, McDaniel, Wishneff, and Mayor Harris-----6.

NAYS: None-----0.

(Council Member Dowe was absent.)

**PARKS AND RECREATION-CITY PROPERTY-LEASES:** A communication from the City Manager requesting that Council schedule a public hearing for Tuesday, February 22, 2005, at 7:00 p.m., or as soon thereafter as the matter may be heard, in connection with lease renewal of the Alexander-Gish House, was before the body.

The City Manager advised that the original lease of the Alexander-Gish House at 641 Walnut Avenue, S. W., by the Old Southwest Neighborhood Alliance, was authorized pursuant to Ordinance No. 24929 adopted on December 10, 1979; on May 11, 1981, a lease assignment transfer to the Old Southwest Neighborhood Foundation, Incorporated, was approved by the City Manager; and Old Southwest, Inc., has resided at the location since December 10, 1979.

It was further advised that the lease expired on December 31, 2004, with no provision for an automatic renewal; Old Southwest, Inc., has requested a new lease agreement with similar terms and conditions; and the previous lease contained a five year term at an annual lease rate of \$1.00.

The City Manager recommended that Council authorize the City Clerk to advertise a public hearing on the above referenced lease for Monday, March 21, 2005, at 7:00 p.m., or as soon thereafter as the matter may be heard.

Vice-Mayor Fitzpatrick moved that Council concur in the request of the City Manager. The motion was seconded by Council Member McDaniel and adopted by the following vote:

AYES: Council Members Cutler, Fitzpatrick, Lea, McDaniel, Wishneff, and Mayor Harris-----6.

NAYS: None-----0.

(Council Member Dowe was absent.)

**BUDGET:** A communication from the City Manager recommending that Council adopt the following Calendar of Events for Budget Preparation Activities for fiscal year 2005-2006, was before Council.

April 11-15, 2005	City Manager briefs City Council on Recommended budget.
April 14, 2005	Recommended budget document delivered to City Council members.
April 18, 2005	Recommended budget presented to City Council at regularly scheduled meeting; meeting continued to April 28.
April 19, 2005	Advertisements of public hearings on recommended budget and tax rates appear in newspapers.

Note:

State Code requires the advertisement of the real property tax rate for the fiscal year.

April 28, 2005	Public hearings on recommended budget and tax rates at <u>7:00 p.m.</u>
May 4 and 5, 2005	Budget Study - <u>8:30 a.m. - 5:00 p.m.</u> (continuation of May 2 meeting).
May 10, 2005	City Council adopts General Fund, School Fund, Proprietary Fund budgets and an Update to the HUD Consolidated Plan and approves an annual appropriation ordinance at 2:00 p.m. (continuation of May 2 meeting).

Vice-Mayor Fitzpatrick moved that Council concur in the recommendation of the City Manager. The motion was seconded by Council Member McDaniel and adopted by the following vote:

AYES: Council Members Cutler, Fitzpatrick, Lea, McDaniel, Wishneff, and Mayor Harris-----6.

NAYS: None-----0.

(Council Member Dowe was absent.)

COMMUNITY PLANNING: A communication from the City Planning Commission transmitting the 2004 Annual Report, was before Council.

Vice-Mayor Fitzpatrick moved that the Annual Report be received and filed. The motion was seconded by Council Member McDaniel and adopted by the following vote:

AYES: Council Members Cutler, Fitzpatrick, Lea, McDaniel, Wishneff, and Mayor Harris-----6.

NAYS: None-----0.

(Council Member Dowe was absent.)

OATHS OF OFFICE-BUILDINGS/BUILDING DEPARTMENT: A communication from Bobby Lavender tendering his resignation as a member of the Board of Fire Appeals, was before Council.

Vice-Mayor Fitzpatrick moved that Council accept the resignation and receive and file the communication. The motion was seconded by Council Member McDaniel and adopted by the following vote:

AYES: Council Members Cutler, Fitzpatrick, Lea, McDaniel, Wishneff, and Mayor Harris-----6.

NAYS: None-----0.

(Council Member Dowe was absent.)

OATHS OF OFFICE-COMMITTEES-COMMUNITY PLANNING-PERSONNEL DEPARTMENT-ROANOKE ARTS COMMISSION-COURT COMMUNITY CORRECTIONS BOARD-ARCHITECTURAL REVIEW BOARD-YOUTH-BLUE RIDGE BEHAVIORAL HEALTHCARE-ARTS COUNCIL OF THE BLUE RIDGE: The following reports of qualification were before Council:

William H. Cleveland as a member of the Court Community Corrections Program Regional Community Criminal Justice Board, for a term ending June 30, 2007;

Francine L. Craven to fill the unexpired term of F. B. Webster Day, resigned; and Mark H. Hurley to fill the unexpired term of Cheryl D. Evans, resigned, as members of the Youth Services Citizen Board, ending May 31, 2006;

Vincent G. Dabney as a member of the Blue Ridge Behavioral Healthcare Board of Directors, for a term ending December 31, 2007;

Donald C. Harwood as a member of the Architectural Review Board, for a term ending October 1, 2007;

William C. Holland as a member of the Personnel and Employment Practices Commission, for a term ending June 30, 2007;

William B. Hopkins, Jr., as a member of the Roanoke Arts Commission, for a term ending June 30, 2007; and

Robert B. Manetta as a member of the City Planning Commission, for a term ending December 31, 2008.

Vice-Mayor Fitzpatrick moved that the reports of qualification be received and filed. The motion was seconded by Council Member McDaniel and adopted by the following vote:

AYES: Council Members Cutler, Fitzpatrick, Lea, McDaniel, Wishneff, and Mayor Harris-----6.

NAYS: None-----0.

(Council Member Dowe was absent.)

### REGULAR AGENDA

PUBLIC HEARINGS: NONE.

PETITIONS AND COMMUNICATIONS:

FIRST CITIES COALITION: Neal Barber, Executive Director, First Cities Coalition, reviewed the 2005 Legislative Agenda for the organization. He advised that overarching policies include:

1. Realign State policies and funding formulas to reduce disproportionate economic, fiscal and demographic stresses and disparities on Virginia's fiscally stressed cities;
2. The State should meet its funding responsibilities for the education of all students, for public safety, human services, transportation, and the personal property tax; and

3. The State should actively promote conditions to encourage the economic health of cities through employment, neighborhood redevelopment and revitalization of commercial areas.

#### Legislative Priorities:

- Support new State education funding to restore 100% of the 2004 Federal funds deduction (29.1% of funds, \$45 million, were not restored, a loss of \$10.7 million to Virginia First Cities. Continue progress toward fully implementing and funding the State Board of Education's SOQ update and JLARC recommendations;
- Increase funding to assist those students most likely to fail the SOL's. Funds for at-risk programs should be distributed outside the SOQ Local Composite Index based on a 4-1 matching ratio;
- Eliminate the car-tax funding gap for Spring billing localities; provide adequate funding for previous year delinquencies and required system administrative changes;
- Dedicate \$5 million to the DEQ Brownfield Development Assistance Fund;
- Reauthorize the Enterprise Zone program; increase funding and expand flexibility;
- Eliminate the auxiliary grant local match for Medicaid funded elderly and disabled residents in assisted living facilities. Program recipients tend to be concentrated in core cities; and
- Support measures which raise Statewide non-general fund taxes and fees to adequately maintain and expand the transportation network, especially for maintenance and reconstruction of streets, roads and bridges, public transportation and rail improvements.

#### Legislative positions

#### Education:

#### Support new State education funding to:

- Restore 100% of the 2004 Federal funds deduction; 29.1% of funds (\$45 million) were not restored during the 2004 session, a loss of \$10.7 million to the 15 Virginia First Cities;

- Increase funding to assist those students most likely to fail the SOL's. Funding for at-risk programs should be distributed outside the SOQ Local Composite Index based on a 4-1 matching ratio;
- Continue progress toward fully implementing and funding the State Board of Education's SOQ update recommendations and the JLARC education recommendations which are not reflected in the State Board of Education update; primarily addressing dropped administrative costs, adequate teacher salaries, capital costs, and prevailing instructional positions; and
- Support adding a density factor to the composite index to more accurately reflect local ability to pay for education. With a funding add-on, this inequity could be corrected without other localities losing education funds.

#### Tax Restructuring:

- Oppose efforts to roll back the tax measures passed in 2004. These measures generate revenue necessary to support State and local core services;
- Eliminate the car-tax funding gap for Spring billing localities; provide adequate funding for previous year delinquencies and required system administrative changes;
- The State should continue to consider ways to restructure service responsibilities to reduce the disproportionate service costs by any locality for education, public safety, human services and infrastructure.

#### Transportation Priorities:

- Support measures which raise Statewide non-general fund taxes and fees to maintain and expand the transportation network; especially for street, road, bridge maintenance and reconstruction, public transportation and rail improvements;
- Increase the State share of capital and operating funds to preserve and expand public transportation;
- Support State incentives to extend public transportation service to regional employment centers;

- Continue to fund street maintenance at least at the same growth rate as VDOT maintenance, reducing funding disparities between City street maintenance and State maintained roads;
- Increase bridge repair funding; and
- Dedicate funds for intercity passenger rail, if significant new revenues are raised.

## Economic Development:

- Dedicate \$5 million to the DEQ Brownfield Development Assistance Fund;
- Reauthorize the Enterprise Zone program, increase funding and expand flexibility;
- Dedicate \$5 million to the Derelict Structure Fund and Housing Revitalization Zone Program;
- Support legislation to permit localities to provide a partial exemption from real property taxation for real estate and associated new structures and improvements in conservation, redevelopment, or rehabilitation areas;
- When State discretionary economic development funds are used in urbanized areas, require coordination between the Secretary of Commerce and Trade, the Secretary of Transportation and the locality to coordinate workforce access transportation plans; and
- Support State funding for arts and cultural facilities within cities.

## Public Safety:

- Full funding for HB 599. According to the Code of Virginia, 599 funds should increase at same rate as State revenue;
- Ensure gang activity reduction funds are directed to core cities;
- Restore Juvenile Justice funds for local detention facilities and halfway houses. Funding was cut by 50% in 2003;
- Increase Jail Per Diems; and



- Support an enhancement category in the Virginia Sentencing Guidelines to increase penalties for offences committed with firearms in the City of Richmond.

#### Human Services:

- Reduce the local share for localities that have a disproportionate number of children requiring CSA services;
- Increase the State share of administrative costs for the Comprehensive Services program. This helps to defray local costs of new data collection requirements and helps to make local program administration more efficient;
- Eliminate the auxiliary grant local match for Medicaid funded elderly and disabled residents in assisted living facilities. Program recipients tend to be concentrated in core cities; and
- Support increases in Medicaid eligibility levels and reimbursement rates to keep essential Medicaid services available to needy populations.

#### Urban Policy:

- The Administration should publish and make publicly available a report of the findings and recommendations of the Governor's Urban Policy Task Force prior to December 2004; and
- Establish an Urban Policy Commission to track an urban report card on the health of metropolitan areas and progress toward improving urban conditions as required by Code Section 2.2-206.

Council Member Wishneff advised that cultural non-State agencies were placed back in the State's budget, and inquired if such action indicates the importance of cultural agencies to the development of communities.

Mr. Barber responded that it recognizes that cultural institutions are important to the communities and the agencies have gone for several years without State funding; and secondly, funds represent one time appropriations to be used for improvements to facilities and do not represent a long term obligation by the State.

Council Member Lea referred to legislative priorities regarding Public Safety which address support of and enhancement to the Virginia Sentencing Guidelines to increase penalties for offenses committed with firearms in the City of Richmond. He inquired if other cities may participate in the guidelines because violence involving crimes where fire arms are used in senseless ways is taking place all over the country.

Mr. Barber advised that the First Cities Coalition is willing to be an advocate on behalf of all of its member cities because of the need to have safe streets and safe communities; it is necessary to address existing crime and to deal with the perception of crime; many citizens of the region often see cities as being more crime ridden than they actually are; if one looks at safety over all, rather than just crime, cities are safer than some of the suburbs, therefore, the challenge is to convey the message not only in a public sense, but in a legislative sense.

ECONOMIC DEVELOPMENT: Phillip F. Sparks, Executive Director, Roanoke Valley Economic Development Partnership, advised that:

- The Regional Partnership was founded in August 1983 by Roanoke Valley business and government leaders; and the first fix partners were Botetourt County, Roanoke County, City of Roanoke, City of Salem and the Town of Vinton;
- Craig and Franklin Counties joined the Partnership in 1990; Allegheny County and the City of Covington joined in 2004; and the Partnership is supported by approximately 240 private-sector investors;
- The Mission of the Regional Partnership is to successfully recruit new businesses to the area, while fostering expansion of the existing industrial base;
- Since 1983, there have been \$928 million in announced new investment, 12,090 in announced new jobs and 89 different companies;
- Since 2000, there have been \$206.7 million in announced new investment, 2,657 in announced new jobs and 22 different companies;
- The average cost per job created since 2000 is \$1,580.70 (average salary for the jobs is \$27,000.00;

- For every \$1.00 given to the Partnership in the past five years, \$49.21 in announced new investment has been created;
- For every \$1.00 given in the past three years, \$16.22 in new payroll has been created; and
- Notable successes include Integrity Windows & Doors, Cardinal Glass, Novozymes Biologicals, Trinity Packaging and expansions at Maple Leaf, MW Windows and Arkay.
- The Regional Partnership engages in an aggressive market program; i.e.:

Advertising – 205 ads placed, approximately 1,000 inquiries, and reached 6.5 million readers;

Trade shows – 47 shows, exposure estimated 92,000 companies, eight with New River Valley and Shenandoah Valley Partnership; and

Marketing Missions include: 16 missions, 160 qualified leads, 15 suspects, three prospects, eight with New River Valley Alliance, Toronto, Philadelphia, Cleveland, Detroit, New York/New Jersey and Northern Florida, Boston, Northern California, and Pittsburgh

- Public Relations – at least 150 placement and reached approximately six million readers;
- Regionalism includes joint marketing with the New River Valley Alliance (brochure, eight marketing missions and eight trade shows) and I-81 Corridor (Shenandoah Valley Partnership); and
- The Regional Brand has taken a leadership role and a billboard is on display at the Roanoke Regional Airport.

Council Member Wishneff inquired as to what action(s) the City could take in order to receive a better share of potential economic development prospects; whereupon, Mr. Sparks advised that a goal of the Regional Partnership is to make frequent appearances before marketing managers of the Virginia Economic Development Partnership (VEDP); and eight prospects from the VEDP visited the Roanoke area in 2004 which is an outstanding record inasmuch as some regions in the State did not have any visits.

Mr. Wishneff raised questions with regard to the affect of air service to Roanoke on economic development. Mr. Sparks responded that he served on a committee that was appointed to look at economic development in depressed areas and air service represents an issue for localities outside of the Tidewater area; there are no discount air carriers in Richmond, Roanoke or Bristol, therefore, it is necessary to either drive to Dulles, Greensboro, Newport News or Norfolk for lower cost air service; and addressing discount rate air service is a State wide issue.

Council Member McDaniel inquired as to what is the one biggest obstacle to economic development for the Roanoke region. Mr. Sparks responded that the biggest obstacle is the 2.6 per cent unemployment rate because when an individual checks the unemployment rate on the web site, there is no opportunity to explain that persons commute from a 60 mile radius to Roanoke.

Vice-Mayor Fitzpatrick advised that when the Regional Partnership learns of a project, information is provided to every government that participates in the Partnership, and the governmental entity decides whether it has a parcel of land, or an existing building, etc., that might be appropriate for the prospect's need; however, in the past, it was not handled in that manner, therefore, he commended current leadership of the Regional Partnership for instituting a more equitable procedure. He stated that the future of western Virginia depends on local government and not on the Virginia Department of Economic Development and the Regional Partnership; therefore, localities must do their homework, determine what is important to make the localities competitive; one of the most difficult issues is that one-third of all persons over 25 years of age in this region do not have a high school education, or a GED diploma, which does not place the localities in the best position if a prospective business is looking to relocate; the State will not address the education problem at the adult level to the extent that it needs to be addressed; and the issue should be addressed at the local level because of the direct benefits to the region. He called attention to the importance of first impressions that will encourage representatives of prospective businesses to visit Roanoke because at that point the Roanoke Valley will sell itself as a great place to live and work.

Mr. Sparks expressed appreciation to the City Manager for her support of the Regional Partnership.

The City Manager advised that the Roanoke area needs to do a better job of marketing itself; as a region and as a City, the Roanoke area is not spending the kind of dollars that are necessary to showcase Roanoke; and at some point, either as a single jurisdiction or as a region, a decision will need to be made, whether it be the Roanoke Valley's own brand or a new Virginia brand, etc.

REPORTS OF OFFICERS:

CITY MANAGER:

BRIEFINGS: NONE.

ITEMS RECOMMENDED FOR ACTION:

TRAFFIC-STATE HIGHWAYS: The City Manager submitted a communication advising that in response to declining transportation funding at the State level, the Virginia Municipal League adopted the following policy Statement at its 2004 annual meeting:

*"VML calls upon the governor and the General Assembly to make transportation a primary focus of the 2005 General Assembly session. Given the failure of the General Assembly to address this issue during the 2004 session and the consequent decline in transportation funding, the Commonwealth is experiencing disinvestment in its transportation infrastructure. Absent a major infusion of new and sustained investment in transportation, Virginia faces a congestion and mobility crisis that will strangle economic growth and profoundly and negatively affect the quality of life of all residents." (Adopted October 5, 2004).*

It was further advised that recognizing the importance of transportation within the State and in support of the Statement, a number of local governments have adopted resolutions to make known to the Governor and to the General Assembly their opinions on Statewide transportation issues.

The City Manager explained that given the improvements needed along the I-581 and Route 220 corridors within the City limits and with the number of urban projects included in VDOT's recent update of the Six-Year Improvement Plan, receipt of funding allocated in the Plan is critical; projects important for the City of Roanoke include improvements along Wonju Street in the vicinity of Towers Mall, improvements on 10<sup>th</sup> Street, and construction of a connection between Hollins Road and 13<sup>th</sup> Street; and with Statewide transportation needs estimated at more than \$200 billion over the next 20 years, the City of Roanoke should consider all steps necessary to ensure receipt of funding.

In addition, it was explained that while the direct financial benefits to the City of Roanoke may be unknown, the transportation industry and municipalities alike should strongly support an emphasis on transportation funding and innovative solutions to transportation concerns; and safe, efficient transportation has a far-reaching effect on many areas of the daily lives of citizens ranging from economic development, recreation, and quality of life to construction and all associated support activities.

The City Manager recommended that Council adopt a resolution calling upon the Governor and the General Assembly to make transportation a primary focus of the 2005 Session of the Virginia General Assembly.

Council Member Cutler offered the following resolution:

(#36952-020705) A RESOLUTION urging the Governor and the General Assembly to make transportation a primary focus of the 2005 Session of the General Assembly.

(For full text of Resolution, see Resolution Book No. 69, Page 255.)

Council Member Cutler moved the adoption of Resolution No. 36952-020705. The motion was seconded by Vice-Mayor Fitzpatrick and adopted by the following vote:

AYES: Council Members Cutler, Fitzpatrick, Lea, McDaniel, Wishneff, and Mayor Harris-----6.

NAYS: None-----0.

(Council Member Dowe was absent.)

CITY CODE-TAXES: The City Manager submitted a communication advising that §58.1-3661, Code of Virginia, 1950, as amended, allows the governing body of any county, city, or town to adopt an ordinance to grant an exemption from taxation on certified solar energy equipment, facilities, or devices to owners of real estate to which said equipment, facilities, or devices is attached; and in light of the C2C housing competition and the potential that a number of houses planned for construction will incorporate renewable energy systems into designs, it is appropriate that the City consider an ordinance that will allow an exemption for persons interested in operating solar energy equipment to heat or cool real property, which will further signal Roanoke's commitment to preserving its environment by encouraging the use of alternative energy sources.

A summary of major components of the program is as follows:

- The amount of exemption will be determined by applying the tax rate to the value of the certified solar equipment, facilities, or devices and subtracting that amount from the total real estate property tax due on the real property to which such equipment, facilities, or devices are attached, or if such equipment, facilities, or devices are taxable as machinery and tools, from the total machinery and tool tax due on such equipment, facilities, or devices, at the election of the taxpayer. (State law requires that localities offer this election to taxpayers.)
- The exemption shall be effective for five years, and can apply to properties installing new solar equipment, facilities, or devices as well as to properties with existing solar equipment, facilities, or devices, and
- The exemption will be administered by the Department of Planning, Building, and Development, the Department of Real Estate Valuation, the Commissioner of the Revenue's Office, and the City Treasurer's Office.

The City Manager recommended that Council adopt an ordinance amending Article II, Real Estate Taxes Generally, Chapter 32, Taxation, Code of the City of Roanoke, (1979), as amended, by the addition of a new Division 8, Tax Exemption for Solar Energy Equipment, Facilities, and Devices, consisting of §§ 32-103.5 - 32-103.17.

Council Member McDaniel offered the following ordinance:

(#36953-020705) AN ORDINANCE amending Article II, Real Estate Taxes Generally, Chapter 32, Taxation, Code of the City of Roanoke (1979), as amended, by the addition of a new Division 8, Tax Exemption for Solar Energy Equipment, Facilities and Devices, consisting of §§32-103.5 – 32-103.17, in order to provide a tax exemption for equipment, facilities and devices designed and used primarily for the collection and use of incident solar energy for water heating, space heating, cooling or other application which would otherwise require a conventional source of energy; and dispensing with the second reading by title paragraph of this ordinance.

(For full text of Ordinance, see Ordinance Book No. 69, Page 258.)

Council Member McDaniel moved the adoption of Ordinance No. 36953-020705. The motion was seconded by Vice-Mayor Fitzpatrick and adopted by the following vote:

AYES: Council Members Cutler, Fitzpatrick, Lea, McDaniel, Wishneff, and Mayor Harris-----6.

NAYS: None-----0.

(Council Member Dowe was absent.)

The City Manager called attention to the cooperation of the City Treasurer who has agreed to take on additional responsibility to ensure appropriate billing.

CITY CODE-TAXES: The City Manager submitted a communication advising that in the fall of 2004, Council was briefed on proposed changes for participation in the City's program that allows tax exemptions for rehabilitation of residential, commercial, and industrial real property; on October 18, 2004, Council adopted recommendations on commercial, industrial, and multi-use property; and Council requested that the recommendations regarding rehabilitation of residential property be re-evaluated in coordination with development of the Housing Strategic Plan.



It was further advised that subsequent to the October 18, 2004 Council meeting, City staff met with the Housing Strategic Planning Steering Committee to obtain comments and to receive input from K. W. Poore & Associates, Inc.; and there was further analysis and research of the previous recommendations.

The City Manager explained that as a result, recommended changes to the residential portion of the program now include:

- Eliminating restrictions on increased square footage on residential real property. Currently, total square footage must not be increased by more than 15 per cent.
- For a residential structure with an assessed value below \$10,000.00, allowing an exemption if the structure is demolished provided that the replacement structure is a single-family residence with an assessed value of at least 120 per cent of the median value of other dwelling units in the neighborhood. The exemption shall not apply, however, when any structure demolished is a registered Virginia landmark, or is determined by the Department of Historic Resources to contribute to the significance of a registered historic district. Currently, an exemption shall not apply when any existing structure is demolished or razed and a replacement structure is constructed.
- For any residential structure which has an assessed value, prior to rehabilitation, equal to or greater than \$300,000.00, the exemption shall begin on July 1st of the tax year following completion of the rehabilitation, renovation, or replacement and shall only run with the real estate for three years. This will apply regardless of its historic designation, its location, or the per cent net reduction in number of dwelling units after rehabilitation.

The City Manager recommended that Council adopt an ordinance amending and reordaining Division 5, Exemption of Certain Rehabilitated Real Property, Section 32-95, Eligibility of residential real property, and Section 32-100, Demolition, Chapter 32, Taxation, Code of the City of Roanoke (1979), as amended, by amending the eligibility requirements for tax exemption as above described.

Vice-Mayor Fitzpatrick offered the following ordinance:

(#36954-020705) AN ORDINANCE amending and reordaining §32-95, Eligibility of residential real property, and §32-100, Demolition, Division 5, Exemption of Certain Rehabilitated Real Property, Chapter 32, Taxation, Code of the City of Roanoke (1979), as amended, by amending the eligibility requirements for tax exemption; establishing a limitation on number of years certain exemptions can exist, and by adding an exception to the applicability of exemptions for real property on which demolition of structures have occurred; and dispensing with the second reading by title paragraph of this ordinance.

(For full text of Ordinance, see Ordinance Book No. 69, Page 262.)

Vice-Mayor Fitzpatrick moved the adoption of Ordinance No. 36954-020705. The motion was seconded by Council Member McDaniel and adopted by the following vote:

AYES: Council Members Cutler, Fitzpatrick, Lea, McDaniel, Wishneff, and Mayor Harris-----6.

NAYS: None-----0.

(Council Member Dowe was absent.)

**BUDGET-EMERGENCY MEDICAL SERVICES:** The City Manager submitted a communication advising that the Virginia Department of Health, Office of Emergency Medical Services, administers a Rescue Squad Assistance Fund (RSAF) grant program which is awarded twice annually; Roanoke Fire-EMS applied in September 2004 for the grant in order to purchase 12 Lead EKG and Mass Casualty Equipment; the 12 Lead EKG equipment will be used to pilot test, in partnership with Carilion Health Systems and Lewis Gale Hospital, the benefits of performing 12 lead EKGs pre-hospital; and Mass Casualty Equipment will be used to update the City's Mass Casualty Incident trailer capability and modernize the equipment in light of today's needs.

It was further advised that in January 2005, the State Office of Emergency Medical Services awarded Roanoke Fire-EMS a grant of \$25,000.00 for the project, requiring \$13,000.00 in matching funds; matching funds for the grant will be provided from the following outside sources: \$4,500.00 from Carilion Health Systems, \$4,500.00 from Lewis Gale Hospital and \$4,000.00 from the Near Southwest Virginia Preparedness Alliance; and local cash funding from the City of Roanoke is not required.

The City Manager recommended that Council accept the grant and appropriate State grant funds of \$25,000.00 and local contributions of \$13,000.00, with corresponding revenue estimates in accounts to be established by the Director of Finance in the Grant Fund; and authorize the City Manager to execute any required grant agreements or documents to be approved as to form by the City Attorney.

Council Member McDaniel offered the following budget ordinance:

(#36955-020705) AN ORDINANCE to appropriate funding for the Rescue Squad Assistance Fund Grant, amending and reordaining certain sections of the 2004-2005 Grant Fund Appropriations, and dispensing with the second reading by title of this ordinance.

(For full text of Ordinance, see Ordinance Book No. 69, Page 264.)

Council Member McDaniel moved the adoption of Ordinance No. 36955-020705. The motion was seconded by Vice-Mayor Fitzpatrick and adopted by the following vote:

AYES: Council Members Cutler, Fitzpatrick, Lea, McDaniel, Wishneff, and Mayor Harris-----6.

NAYS: None-----0.

(Council Member Dowe was absent.)

Vice-Mayor Fitzpatrick offered the following resolution:

(#36956-020705) A RESOLUTION authorizing the acceptance of the Rescue Squad Assistance Fund ("RSAF") Grant made to the City of Roanoke by the Virginia Department of Health, Office of Emergency Medical Services, and authorizing the execution and filing by the City Manager of the conditions of the grant and other grant documents approved as to form by the City Attorney.

(For full text of Resolution, see Resolution Book No. 69, Page 264.)

Vice-Mayor Fitzpatrick moved the adoption of Resolution No. 36956-020705. The motion was seconded by Council Member Cutler and adopted by the following vote:

AYES: Council Members Cutler, Fitzpatrick, Lea, McDaniel, Wishneff, and Mayor Harris-----6.

NAYS: None-----0.

(Council Member Dowe was absent.)

**POLICE DEPARTMENT-BUDGET-GRANTS:** The City Manager submitted a communication advising that the Virginia Department of Criminal Justice Services (DCJS) provides grant funding for programs and activities which increase the apprehension, prosecution and adjudication of persons committing violent crimes against women; the program, "Virginia Services, Training, Officers, Prosecution Violence Against Women" (V-STOP) has funded the establishment of a Domestic Violence Unit within the Police Department since 1999; the Domestic Violence Unit collects and interprets relevant domestic violence offense data which allows proactive case intervention and cultivation of the cooperative working relationships with clients and service/adjudication agencies; and the program produces more equitable victim-offender criminal justice dispositions related to domestic violence offenses.

It was further advised that on December 16, 2004, DCJS awarded the Police Department \$34,703.00 to employ a full-time, non-sworn Domestic Violence Specialist, thereby allowing continuation of the Domestic Violence Unit in calendar year 2005; the required City in-kind match of \$11,567.00 will be met through salary paid to current Police Department personnel; there is no required local cash match due to an increase of less than one per cent in the grant award amount over last year; and the Police Department will be required to provide a cash match of \$4,712.00 to continue to fully fund the salary portion of the Domestic Violence Specialist, which is available in the Police Department's operating budget.

The City Manager recommended that Council accept the V-STOP grant and authorize execution of the grant agreement and any related documents, in a form to be approved by the City Attorney; appropriate State grant funds of \$34,703.00 and local cash funds of \$4,712.00, with corresponding revenue estimates in accounts to be established by the Director of Finance in the Grant Fund; and transfer funds in the amount of \$4,712.00 from Account No. 035-640-3302-2035 to provide local cash funds.

Vice-Mayor Fitzpatrick offered the following budget ordinance:

(#36957-020705) AN ORDINANCE to appropriate funding for the Police Department Domestic Violence Program Grant, amending and reordaining certain sections of the 2004-2005 Grant Fund Appropriations, and dispensing with the second reading by title of this ordinance.

(For full text of Ordinance, see Ordinance Book No. 69, Page 265.)

Vice-Mayor Fitzpatrick moved the adoption of Ordinance No. 36957-020705. The motion was seconded by Council Member McDaniel and adopted by the following vote:

AYES: Council Members Cutler, Fitzpatrick, Lea, McDaniel, Wishneff, and Mayor Harris-----6.

NAYS: None-----0.

(Council Member Dowe was absent.)

Vice-Mayor Fitzpatrick offered the following resolution:

(#36958-020705) A RESOLUTION accepting the Virginia Services, Training, Officers, Prosecution (VSTOP) Violence Against Women Grant offer made to the City by the Virginia Department of Criminal Justice Services and authorizing execution of any required documentation on behalf of the City.

(For full text of Resolution, see Resolution Book No. 69, Page 266.)

Vice-Mayor Fitzpatrick moved the adoption of Resolution No. 36958-020705. The motion was seconded by Council Member Cutler and adopted by the following vote:

AYES: Council Members Cutler, Fitzpatrick, Lea, McDaniel, Wishneff, and Mayor Harris-----6.

NAYS: None-----0.

(Council Member Dowe was absent.)

**BUDGET-HUMAN DEVELOPMENT-CITY EMPLOYEES:** The City Manager submitted a communication advising that the Department of Social Services Employment Services Unit has experienced a 50 per cent increase in its Virginia Initiative for Employment Not Welfare (VIEW) caseloads over the past seven months which is attributed to a regional economy that continues to be difficult for the population that Roanoke serves, that often consists of individuals with a poor work history and limited skills that impede employability; cases also remain open for a longer period of time for similar reasons; it is evident that there are more clients with difficult and sometimes hidden barriers, such as mental health problems and substance abuse issues that require more attention and more intense services; and due to these factors, the department is experiencing an increased need for assessments, treatment and other purchased services that help enable customers to become more viable candidates for employment.

It was further advised that the foster care unit in the Social Services Department (and typically throughout Virginia and the nation) experiences tremendous staff turnover and burnout; demands on foster care social workers are ever increasing; issues facing foster children and their families are much more complex compared to the past, and interventions require substantial staff time in order to be successful; and the Roanoke Interagency Council has identified staffing concerns as a significant problem, and is developing several strategies to address staffing levels and staff competency.

It was explained that State funds for VIEW services pay 100 per cent of all program costs, including direct services for clients, equipment needs and staff salaries and benefits; the State budget for the VIEW program is in excess of the City's adopted budget for Employment Services; there is an additional \$126,500.00 in fiscal year 2005 State funding available for use by the VIEW program; funds can be used to hire two additional employment service workers, purchase the necessary equipment and workspace reconfigurations, as well as meet the increasing needs for purchased services such as work assessments and supplies that are necessitated by the larger client caseload; and incremental personnel cost increase for the remainder of fiscal year 2005 is \$13,575.00, with the full year's cost being \$80,244.00.

It was further explained that the VDSS has allocated City funds this year under the Promoting Safe and Stable Families (PSSF) program that will fund a part-time foster care social worker; and the incremental personnel cost increase for the remainder of fiscal year 2005 is \$6,687.00, with the full year's cost being \$20,061.00.

The City Manager recommended that Council take the following actions:

Authorize the Department of Social Services to increase staff complement by two full-time employment services workers (grade 11) and one part-time social worker (grade 11) for foster care.

Authorize the Director of Finance to increase the revenue estimate for Employment Services, Account No. 001-110-1234-0681, by the amount of \$69,175.00, and appropriate funds to the following accounts:

001-630-5316-1002	(Regular Employee Salaries)	\$	10,001.00
001-630-5316-1005	(City Retirement)	\$	977.00
001-630-5316-1116	(ICMA Match)	\$	225.00
001-630-5316-1120	(FICA)	\$	782.00
001-630-5316-1125	(Medical Insurance)	\$	1,180.00
001-630-5316-1126	(Dental Insurance)	\$	78.00
001-630-5316-1130	(Life Insurance)	\$	114.00
001-630-5316-1131	(Disability Insurance)	\$	26.00
001-630-5316-2020	(Telephone)	\$	120.00
001-630-5316-3160	(Purchased Services)	\$	43,222.00
001-630-5316-2035	(Expendable Equipment)	\$	12,450.00
TOTAL		\$	69,175.00

Authorize the Director of Finance to transfer \$6,803.00 from Account No. 001-630-5314-3160 (Purchased Services) to the following accounts:

001-630-5314-1002	(Regular Employee Salaries)	\$	5,000.00
001-630-5314-1005	(City Retirement)	\$	488.00
001-630-5314-1116	(ICMA Match)	\$	225.00
001-630-5314-1120	(FICA)	\$	391.00
001-630-5314-1125	(Medical Insurance)	\$	590.00
001-630-5314-1126	(Dental Insurance)	\$	39.00
001-630-5314-1130	(Life Insurance)	\$	57.00
001-630-5314-1131	(Disability Insurance)	\$	13.00
TOTAL		\$	6,803.00

Council Member Cutler offered the following budget ordinance:

(#36959-020705) AN ORDINANCE to appropriate funding from the Commonwealth for increased staffing in the Department of Social Services, amending and reordaining certain sections of the 2004-2005 General Fund Appropriations, and dispensing with the second reading by title of this ordinance.

(For full text of Ordinance, see Ordinance Book No. 69, Page 267.)

Council Member Cutler moved the adoption of Ordinance No. 36959-020705. The motion was seconded by Council Member McDaniel.

Council Member Cutler referred to an additional appropriation of \$500,000.00 in Social Services expenses, or reimbursement to the City of Roanoke by the Commonwealth of Virginia; whereupon, the City Manager advised that the additional reimbursement from the State was previously considered as a non reimbursable; as of the end of the first six months, the City has significantly decreased the amount of non reimbursables for the current fiscal year and significant progress is being made.

Ordinance No. 36959-020705 was adopted by the following vote:

AYES: Council Members Cutler, Fitzpatrick, Lea, McDaniel, Wishneff, and Mayor Harris-----6.

NAYS: None-----0.

(Council Member Dowe was absent.)

GREENWAY SYSTEM-STATE HIGHWAYS: The City Manager submitted a communication advising that a Memorandum of Understanding (MOU) has been negotiated that would establish a cooperative effort between the Virginia Department of Transportation (VDOT) and the City of Roanoke for the temporary use of non-limited access rights-of-way along I-581 between the Orange Avenue interchange and Walker Avenue on the west side of I-581; the Agreement is for the temporary placement of a portion of the Lick Run Greenway on the VDOT non-limited access rights-of-way, pending future roadway corridor modifications; the Memorandum of Understanding requires Council to request VDOT's permission to temporarily place a portion of the greenway on VDOT's non-limited access I-581 rights-of-way; and Council will be requested to agree to have the City of Roanoke pay all costs associated with removing the greenway at such time as future roadway corridor modifications necessitate removal, if and when removal is requested by VDOT.



The City Manager recommended that she be authorized to execute the Memorandum of Understanding dated January 20, 2005, subject to approval as to form by the City Attorney, between the City of Roanoke and the Virginia Department of Transportation for temporary use of non-limited rights-of-way along I-581 between the Orange Avenue interchange and Walker Avenue on the west side of I-581; and that the City Manager be authorized to take such further action as may be necessary to implement and comply with such Memorandum of Understanding, including removal of the greenway, if such becomes necessary.

Vice-Mayor Fitzpatrick offered the following resolution:

(#36960-020705) A RESOLUTION approving a Memorandum of Understanding (MOU) between the Virginia Department of Transportation (VDOT) and the City of Roanoke for the temporary use of non-limited access rights-of-way along I-581 in connection with the Lick Run Greenway; authorizing the City Manager to execute such MOU; and authorizing the City Manager to take such further action as may be necessary to implement and comply with such MOU.

(For full text of Resolution, see Resolution Book No. 69, Page 268.)

Vice-Mayor Fitzpatrick moved the adoption of Resolution No. 36960-020705. The motion was seconded by Council Member Cutler.

The City Manager was requested to provide further clarification of the recommendation and a time frame for greenway completion; whereupon, she advised that the matter involves the completion of Phase II of the Lick Run Greenway which begins at Valley View Mall and currently ends at Andrews Road and will involve the crossing of 10<sup>th</sup> Street through two parks to include Washington Park. She stated that with approval by the Virginia Department of Transportation (VDOT), the project will cross Orange Avenue, go behind the Holiday Inn Express and several other businesses, and pick up the greenway on Second Street along the creek bed. Without VDOT's approval, she added that the greenway would have been constructed on concrete or sidewalk for the entire way, therefore, this is a significant enhancement of the greenway itself; and since VDOT has given its approval, the project will be bid as soon as possible with construction and completion of the greenway anticipated to occur during the current calendar year.

Resolution No. 36960-020705 was adopted by the following vote:

AYES: Council Members Cutler, Fitzpatrick, Lea, McDaniel, Wishneff, and Mayor Harris-----6.

NAYS: None-----0.

(Council Member Dowe was absent.)

STATE HIGHWAYS-RAIL SERVICE-INDUSTRIES: The City Manager submitted a communication advising that FreightCar Roanoke, Inc., is locating a facility in the former Norfolk Southern East End Shops in the City of Roanoke to produce aluminum railroad cars; the site needs upgrades to the rail lines costing in excess of \$2,000,000.00; FreightCar Roanoke, Inc., has approached the City of Roanoke to support FreightCar's application to the Virginia Department of Rail and Public Transportation (DRPT) Railroad Industrial Access Program for funds to help defray a portion of the cost; the application must be supported by the City and accompanied by a resolution from the local governing authority in support of the application; and the City of Roanoke will not incur any monetary obligation to provide any part of the funds.

It was further advised that the Company will invest \$5.545 million and hire 400 employees in the next 30 months; FreightCar Roanoke, Inc., is the same company receiving a \$200,000.00 Governor's Opportunity Fund (GOF) Grant, which GOF amount will be matched by the City; as part of the project, the Company is requesting \$300,000.00 in Industrial Access Railroad Track Funds from the Department of Rail and Public Transportation (DRPT); and, in addition, if the Company spends an additional \$300,000.00 in upgrading the railroad track, the Company is requesting DRPT to grant additional monies equal to \$150,000.00.

The City Manager recommended that Council adopt a resolution in support of the application; authorize the City Manager to execute and/or provide appropriate documents for the Virginia Department of Rail and Public Transportation for the Railroad Industrial Access Program, in connection with the application of FreightCar Roanoke, Inc., to assist the Company in obtaining up to \$450,000.00 in Program funds and to State the City's support for FreightCar Roanoke, Inc., to receive such Program funds from the Commonwealth of Virginia.

Vice-Mayor Fitzpatrick offered the following resolution:

(#36961-020705) A RESOLUTION supporting the application or other documents to be filed with the Virginia Department of Rail and Public Transportation by FreightCar Roanoke, Inc., for up to \$450,000.00 in Industrial Access Railroad Track Funds and to State the City's support for FreightCar Roanoke, Inc., receiving such funds.

(For full text of Resolution, see Resolution Book No. 69, Page 269.)

Vice-Mayor Fitzpatrick moved the adoption of Resolution No. 36961-020705. The motion was seconded by Council Member McDaniel and adopted by the following vote:

AYES: Council Members Cutler, Fitzpatrick, Lea, McDaniel, Wishneff, and Mayor Harris-----6.

NAYS: None-----0.

(Council Member Dowe was absent.)

# CITY ATTORNEY:

INDUSTRIES-LEASES: The City Attorney submitted a written report advising that the City entered into a Lease and Option to Purchase Agreement on July 7, 1983, with Cooper Industries, Inc., with regard to Parcels 2 and 6 at the Roanoke Centre for Industry and Technology (RCIT); pursuant to the Agreement, Cooper Industries leased Parcel 2 with the right to purchase for 40 years, and was given the right to lease or purchase Parcel 6 for the same time period; and Cooper Industries, Inc., has requested that the City agree to the assignment of the 1983 agreement to a newly-created subsidiary, Cooper Crouse-Hinds, LLC.

The City Attorney further advised that the City Manager concurs in the request.

Vice-Mayor Fitzpatrick offered the following ordinance:

(#36962-020705) AN ORDINANCE authorizing execution of a Consent to Assignment and endorsement of an Assignment and Assumption Agreement whereby the City of Roanoke approves the assignment and assumption by Cooper Industries, Inc., of its right, title and interest in, to and under a certain lease and Option to Purchase to Cooper Crouse-Hinds, LLC; and dispensing with the second reading by title paragraph of this ordinance.

(For full text of Ordinance, see Ordinance Book No. 69, Page 270.)

Vice-Mayor Fitzpatrick moved the adoption of Ordinance No. 36962-020705. The motion was seconded by Council Member McDaniel and adopted by the following vote:

AYES: Council Members Cutler, Fitzpatrick, Lea, McDaniel, Wishneff, and Mayor Harris-----6.

NAYS: None-----0.

(Council Member Dowe was absent.)

VALLEY VIEW MALL: The City Attorney submitted a communication advising that the City plans to sponsor Citizen Appreciation Day at Valley View Mall on April 30, 2005; the new owners of Valley View Mall, CBL & Associates Management, Inc., require that the City execute an agreement containing a provision which requires that the City agree to indemnify and hold harmless CBL and to defend CBL in the event that anyone is injured or anything is damaged during the City's use of the premises; and only Council can waive the City's sovereign immunity and agree to such provision, which provision CBL has refused to delete.

Council Member McDaniel offered the following resolution:

(#36963-020705) A RESOLUTION authorizing the waiver of the City's sovereign immunity in connection with the city's use of Valley View Mall for Citizen Appreciation Day, and authorizing execution of an agreement with Valley View Mall, LLC, through its agent, CBL Associates Management, Inc., in connection with such use of Valley View Mall.

(For full text of Resolution, see Resolution Book No. 69, Page 271.)

Council Member McDaniel moved the adoption of Resolution No. 36963-020705. The motion was seconded by Vice-Mayor Fitzpatrick and adopted by the following vote:

AYES: Council Members Cutler, Fitzpatrick, Lea, McDaniel, Wishneff, and Mayor Harris-----6.

NAYS: None-----0.

(Council Member Dowe was absent.)

#### DIRECTOR OF FINANCE:

AUDITS/FINANCIAL REPORTS: The Director of Finance submitted the Financial Report for the month of December 2004.

There being no questions or comments, without objection by Council, the Mayor advised that the Financial Report for the month of December would be received and filed.

REPORTS OF COMMITTEES: NONE.

UNFINISHED BUSINESS: NONE.

INTRODUCTION AND CONSIDERATION OF ORDINANCES AND RESOLUTIONS: NONE.

MOTION AND MISCELLANEOUS BUSINESS:

INQUIRIES AND/OR COMMENTS BY THE MAYOR AND MEMBERS OF COUNCIL:

LEGISLATION: Vice-Mayor Fitzpatrick, Chair, Legislative Committee, reviewed the status of the following legislative issues:

- The transit company sales tax exemption was approved by the House Finance Committee by a 21 - 1 vote, and the Senate version of the bill has been approved which allows Valley Metro to again be tax exempt.

- For the second year, the Senate has approved funds for relocation of the Health Department; and the House of Representatives did not include funds, but allocated \$2.9 million in the General Fund for four additional community crisis stabilization units.
- For cultural agencies, the House approved \$4,900,000.00 for the Art Museum and the Senate approved \$1 million; Center in the Square received \$300,000.00 in the Senate and \$100,000.00 in House; Explore Park received \$400,000.00 in the Senate and \$75,000.00 in the House; Mill Mountain Zoo received \$50,000.00 in both the Senate and the House, and the Virginia Museum of Transportation received \$400,000.00 in the Senate and \$50,000.00 in the House.

**CITY TREASURER-TAXES:** At the request of the Mayor, the City Treasurer announced that on Monday February 14, 2005, the City of Roanoke and the City Treasurer's Office will go live with the first e-government check on the City's web site at Pay Taxes and Bills; all data included on the e-government check will be encrypted and secure; and the e-government check is a convenient, safe and free-of-charge service that will be provided to Roanoke's taxpayers. She expressed appreciation to the City's Department of Technology for its assistance in establishing the on-line program.

The Mayor and Vice-Mayor commended the City Treasurer on the quality of service that her office provides to the citizens of Roanoke

**HEARING OF CITIZENS UPON PUBLIC MATTERS:** The Mayor advised that Council sets this time as a priority for citizens to be heard and matters requiring referral to the City Manager will be referred immediately for response, recommendation or report to Council.

**COMPLAINTS-LANDMARKS/HIST. PRESERVATION-GRANTS:** Ms. Helen E. Davis, 35 Patton Avenue, N, E., advised that history reveals that African-American citizens experienced a major portion of northeast Roanoke having been taken for urban renewal; the same lust for land extended into northwest Roanoke when an

entire neighborhood was demolished for the Coca-Cola Bottling Plant, where numerous homes were torn down and two intrusive roads were built for the quick movement of traffic to and from downtown. She stated that struggles continue in the predominantly black neighborhoods and policies of the City of Roanoke have not been responsive or fair to the concerns and needs of African-American communities. She advised that sizeable amounts of taxpayers' money were spent or are under consideration to be spent for the Grandin Theatre, the O. Winston Link Museum, upscale housing at 8 North Jefferson Place, and trolleys for the Jefferson Street corridor only, etc. She stated that no effort was made to work with representatives of Carilion Health Systems to seek historic designation for the preservation of Burrell Nursing Center, nor was help offered to save the Harrison Museum of African-American Culture; and the Gainsboro Steering Committee previously requested funds to assist the Oliver White Hill Foundation toward preservation of the former home of Oliver Hill on Gilmer Avenue, but the request was denied. She stated that there appears to be a lack of concern for black history and the accomplishments of African-Americans, such as Oliver White Hill, who grew up in Roanoke on Gilmer Avenue and became one of America's premier civil rights lawyers.

#### CITY MANAGER COMMENTS:

**TAXES-REAL ESTATE VALUATION:** The City Manager recognized and commended the assistance of the Director of Real Estate Valuation in connection with amendments to the Tax Exemption Program for rehabilitated real property which was approved by Council earlier in the meeting.

**ACTS OF ACKNOWLEDGMENT-CITY EMPLOYEES-SNOW REMOVAL:** The City Manager commended the work of City employees in connection with the clearing of City streets following recent snow and ice events.

**ACTS OF ACKNOWLEDGMENT-RECYCLING:** The City Manager commended the citizens of Roanoke for their efforts in connection with recycling, and reported that for another month, the City will pay no disposal fee for recyclable materials.

**VIRGINIA MUNICIPAL LEAGUE:** The City Manager advised that a dinner was held on Thursday, February 3, 2005, in Richmond, Virginia, as a part of Virginia Municipal League Legislative Day activities, which was attended by representatives of not only the City of Roanoke and Roanoke County, but representatives of the New River Valley. She reported that regionalism continues to grow in the Roanoke Valley.

LANDMARKS/HIST. PRESERVATION: In response to the remarks previously made by Ms. Helen E. Davis, the City Manager advised that on numerous occasions the City administration has indicated a willingness to submit a recommendation to Council that the City will participate in the purchase of the Oliver White Hill house on Gilmer Avenue at such time as matching funds and a plan for maintenance of the structure are submitted by the Oliver White Hill Foundation.

At 4:00 p.m., the Mayor declared the Council meeting in recess for four Closed Sessions.

At 5:05 p.m., the Council meeting reconvened in the City Council Chamber, with all Members of the Council in attendance, with exception of Mayor Harris and Council Member Dowe, Vice-Mayor Fitzpatrick presiding.

(Mayor Harris left the meeting during the Closed Session.)

COUNCIL: With respect to the Closed Meeting just concluded, Council Member Cutler moved that each Member of City Council certify to the best of his or her knowledge that: (1) only public business matters lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act; and (2) only such public business matters as were identified in any motion by which any Closed Meeting was convened were heard, discussed or considered by City Council. The motion was seconded by Council Member Lea and adopted by the following vote:

AYES: Council Members Cutler, Lea, McDaniel, Wishneff, and Vice-Mayor Fitzpatrick-----5.

NAYS: None-----0.

(Council Member Dowe and Mayor Harris were absent.)

At 5:03 p.m., the Vice-Mayor Fitzpatrick declared the Council meeting in recess until Friday, February 18, 2005, at 9:30 a.m., in Room 159, Noel C. Taylor Municipal Building, 215 Church Avenue, S. W., for the Council's Annual Financial Planning Session.



The Monday, February 7, 2005, meeting of Roanoke City Council reconvened on Friday, February 18, 2005, at 9:30 a.m., in Room 159, Noel C. Taylor Municipal Building, 215 Church Avenue, S. W., for the Council's Annual Financial Planning Session.

PRESENT: Council Members M. Rupert Cutler, Beverly T. Fitzpatrick, Jr., Sherman P. Lea, Brenda L. McDaniel, Brian J. Wishneff and Mayor C. Nelson Harris-----6.

ABSENT: Council Member Alfred T. Dowe, Jr. -----1.

OFFICERS PRESENT: Darlene L. Burcham, City Manager; William M. Hackworth, City Attorney; Jesse A. Hall, Director of Finance; and Mary F. Parker, City Clerk.

OTHERS PRESENT: Troy A. Harmon, Municipal Auditor; George C. Snead, Jr., Assistant City Manager for Operations; Ann H. Shawver, Deputy Director of Finance; and Sherman L. Stovall, Director of Management and Budget.

The City Manager advised that the Financial Planning Session is held on an annual basis in order for staff to provide information to the Council on the budget outlook for the upcoming budget cycle. She stated that input by Council is needed as early as possible in the process once staff has an idea of what State revenue looks like. She added that there does not appear to be as many road blocks to local funding at the General Assembly level this year, compared to last year, particularly since it is known that the car tax issue has failed for this year. Unlike previous years, she stated that this year, outside organizations have been requested to present budgets and justification for funds that have been requested from the City.

The City Manager explained that because a certain amount of funds is dedicated to the payment of debt service in the operating budget, staff would also address the Capital Improvement Program, as well as operating budget issues.

Mr. Stovall advised that the agenda for the day would focus on five elements of budget development for fiscal year 2005-2006, specifically revenue and expenditures assumptions and relevant issues, capital projects, looking back historically, current projects, and looking to the future. He stated that staff would also review the debt for capital projects, including current and future debt service, as well as review debt capacity, the status of balancing the fiscal year 2006 budget and issues regarding the dedicated use of capital fund interest earnings and a budget stabilization policy.

The Director of Finance reviewed projected revenue growth for fiscal year 2005–2006:

Real Estate Tax	\$5,280,000.00
Personal Property Tax	(1,346,000.00)
Sales Tax	246,000.00
Business License Tax	17,000.00
Prepared Food Tax	498,000.00
Other Local Taxes	326,000.00
Intergovernmental	1,877,000.00
Charges for Services	15,000.00
Other Revenues	(84,000.00)
Total	\$6,829,000.00

Mr. Stovall advised that the budget outlook for fiscal year 2005–2006 is generally positive, when compared to this time last year, with a number of challenges to overcome; challenges include maintaining and enhancing service levels, capital funding and employee compensation, and City departments were not asked to submit budgets with expenditure reductions.

A chart was reviewed indicating no changes in the following local tax rates:

<u>Local Tax</u>	<u>Tax Rate</u>
Real EState Tax	\$ 1.21 per \$100.00
Personal Property Tax	\$ 3.45 per \$100.00
Cigarette Tax (20 per pack)	\$ 0.27
Transient Room Tax	7%
Admissions Tax	9%/5.5%
E-911 Tax	\$ 2.00
Motor Vehicle License	\$20.00
Prepared Food & Beverage Tax	4%
Short Term Rental Tax	1%

Question was raised with regard to the no car tax legislation that capped the reimbursement to localities which will impact the City of Roanoke in fiscal year 2007. The Director of Finance advised that the State's budget that goes to fiscal year 2006 includes enough money to fully reimburse localities in that particular fiscal year and primarily affects the "spring filers" or those localities that have their tax due date set in the spring. He stated that the City can accrue funds owed into fiscal year 2006, so the primary impact is that the City of Roanoke will not receive about \$7 million of cash that would normally be received in the May – June timeframe, but will be moved forward to July or August 2007; therefore, the biggest impact on the City of Roanoke will be the loss of cash flow for about two months at three per cent interest, or approximately \$15,000.00 – \$20,000.00.

Question was raised as to how many years are left on the Hotel Roanoke Conference Center bonds; whereupon, the Director of Finance advised that he would research the question and respond at a later time.

Mr. Stovall reviewed priority funding items for fiscal year 2006.

- Continue sharing of local tax revenues with Roanoke City Public Schools based on the current formula of 36.42 per cent of local taxes – \$1.8 million.

He advised that the funding formula has served the City well over the years and has also served as a mechanism to keep the governing body and the school division from debating about the level of local support for the school division; and the formula has failed in that it does not take into consideration the level of funding that is provided to the schools in support of capital projects.

The Mayor advised that in conjunction with the City Manager and the Director of Finance, he would like to initiate a discussion with the Chair of the School Board, the School's Chief Financial Officer, and the new Superintendent of Schools with regard to how to accommodate the amount contributed by the City toward capital projects and debt service, etc., as a part of the funding formula equation.

- Increase in contribution rate for Employee Retirement System (9.56% to 12.61%) – \$1.6 million
- Increase in cost of Employee Health insurance – \$.4 million

There was discussion with regard to the City and the Schools participating in an employee health insurance program and other consolidation of services and programs; whereupon, the City Manager advised that a study would be initiated if the Council and the School Board would instruct their respective administrations to engage in an evaluation and investigation of certain services.

During the monthly breakfast meetings, the Mayor advised that a number of issues have been discussed; i.e.: health insurance, human resources, finances, general services, building maintenance, fleet maintenance, etc., however, there is some hesitation in moving forward until the new Superintendent of Schools can be involved in the discussions.

- Continue progress in providing competitive Employee Compensation; pay raise of 4% required to remain competitive – \$3.1 million
- Continue building debt capacity for planned capital projects – \$.6 million.
- Increase in funding for community agencies based on growth in discretionary revenue.
- Maintaining and enhancing service levels
- Other priority funding needs for fiscal year 2006 to fiscal year 2007 include:

Continue City Council's priority to budget recurring funding in the operating budget for equipment replacement, building maintenance, paving and technology needs

## Equipment Replacement

Current Funding Goal – \$2.5 million by fiscal year 2007

\$185,000.00 increase in fiscal year 2006 to \$1,760,000.00

Reallocation of funding currently dedicated to vehicle lease will facilitate reaching the target by fiscal year 2008  
Target may need to be revised to \$3 million

- Capital Maintenance of Buildings

Funding goal – \$750,000.00 by fiscal year 2007

\$130,000.00 increase in fiscal year 2006 to \$620,000.00

- Key Financial Assumptions Expenditures:

Other priority funding needs for fiscal year 2005 to fiscal year 2007

### Paving Program:

Funding goal – \$2.5 million by fiscal year 2007

\$135,000.00 increase in fiscal year 2006 to \$2,364,952.00

### Technology – Financial Systems Replacement Project

Current funding goal – \$1.0 million by fiscal year 2007  
\$165,000.00 increase in fiscal year 2006 to \$841,247.00

Funding dedicated to financial application integration project through fiscal year 2008

Based on current staging of financial application integration project, there is a funding gap of \$2.6 million

Based on revised assessment of technology needs, target needs to be revised to \$2 million

Increased funding over the next four to five years to meet the revised target.

Looking back, Mr. Stovall reviewed the 1999 bond issue totaling \$36.1 million:

- Elementary/Middle School improvements – \$5 million
- Buildings – \$7.8 million

Jefferson Center – Phase II Performance Hall – \$1.6 million

Police Building Phase I – \$3.5 million

Roanoke Higher Education Center – \$2.5 million

Miscellaneous Improvements – \$.2 million

- Economic Development – \$10.3 million
  - Roanoke Centre for Industry and Technology – \$2.5 million
  - Johnson and Johnson – \$7.6 million
  - Signalization Airport Road/Towne Square Blvd. – \$.2 million
- Park Improvements – \$4.7 million
- Storm Drains – \$2.3 million
- Bridge Projects – \$2.3 million
- Streets and Sidewalks – \$3.7 million
  - Curb, Gutter and Sidewalk Program – \$1.7 million
  - Street Improvements – \$2.0 million

It was noted that at the March 2000 Financial Planning Session, Council began planning for future capital projects, including discussion of the renovation of the first of two high schools; Council concurred in a recommendation to add \$570,000.00 in debt service funding on an annual basis to build debt capacity for future projects, including the first high school; and Council agreed with a recommendation to include additional debt service funding in fiscal year 2001, above the \$570,000.00 for Victory Stadium and the Riverside Centre.

It was further noted that at the March 2001 Financial Planning Session, Council continued to plan for capital projects and the next bond issue, and discussed the following projects:

- Police Building – Phase II
- Riverside Centre
- Art Museum
- Park Master Plan/Multi-purpose Recreation Center
- Rail Passenger Station
- Human Services Building

Civic Center Improvements – Phase I  
 Roanoke River Flood Reduction  
 Greenways  
 YMCA Aquatic Center  
 Patrick Henry High School  
 William Fleming High School  
 Roanoke Academy for Mathematics and Science  
 Crystal Spring Filter Plant  
 Water Pollution Control Plant

Mr. Stovall advised that Patrick Henry High School improvements increased from \$35 million to \$38 million and the cost of the William Fleming High School project was established at \$40 million; the consensus of Council at that time was that there was a need to identify a funding source for the City's share of the debt service that would be required for William Fleming; and at that time the meals tax was identified as the possible source to fund debt service for William Fleming. He stated that these planning efforts resulted in the 2002 bond issue which totals approximately \$56.2 million and included funding for:

Schools – \$4.6 million

Roanoke Academy for Mathematics and Science

Roanoke River Flood Reduction – \$7.5 million

Economic Development – \$14.5 million

Gainsboro Parking Garage – \$2.5 million

Riverside Centre for Research and Technology – \$12 million

Curb, Gutter and Sidewalk – \$5 million

Civic Facilities – \$19.2 million

Stadium/Amphitheater – \$17 million

Roanoke Civic Center Phase I – \$2.2 million

Crystal Spring Filtration Plant – \$5.4 million

Mr. Stovall advised that during the March 2002 and March 2003 Financial Planning Sessions, Council discussed new capital projects under consideration and the planned issuance of debt and use of cash funding; and projects discussed included:

- Civic Center Phase II
- Fire-EMS Facilities
- Public Works Service Center
- Municipal North Renovation
- Storm Water Management
- Elementary School Renovations

Council subsequently authorized debt issuance for Civic Center Phase II and Patrick Henry High School.

Mr. Stovall advised that Council also discussed the increase in cost of the Patrick Henry High School project from \$38 million to \$46.7 million and the William Fleming High School Project from \$40 million to \$44.7 million, and Council subsequently authorized the debt issuance for the Civic Center Phase II project and the Patrick Henry High School project.

In March 2004, he stated that Council finalized projects to be included in the next bond issue, as well as projects to be cash funded; agreed to delay and move to out years the planned issuance of debt based on project status and focus on minimizing the increase in required debt service for the Art Museum, Multi Purpose Recreation Center and Roanoke River Flood Reduction; reviewed a potential increase in the cost of high school projects and subsequently agreed to an increase in the cost of the two high school projects – \$13.5 million.

Also at the March 2004 Financial Planning Session, he Stated that Council agreed to move forward with Phase II of the Civic Facilities project, with the assumption that the General Fund would absorb a portion of the cost of debt service given the pending status of the Victory Stadium/Amphitheater project, and subsequently Council authorized the issuance of debt for the Riverside Center for Research and Technology – \$5.5 million, Patrick Henry High School – \$8.7 million (additional funding required), Police Building Phase II – \$6.7 million and Fire-EMS Facilities – \$4.4 million.



For fiscal year 2004–2005, Mr. Stovall advised that an issuance of \$79.7 million was planned. Patrick Henry High School – \$46.8 million, Riverside Center – \$5.5 million, Police Building Phase II – \$6.7 million, Fire–EMS Facility – \$4.4 million, Downtown West Parking Garage – \$2 million, and Civic Center Phase II – \$14.3 million; and issued \$46 million of the planned \$79.7 million based on cash flow needs, with the remaining \$33.7 million to be issued during fiscal year 2005–2006, which reduced the amount of debt service that would be needed in the upcoming fiscal year.

Current CIP for fiscal year 2005–2009 reflects the following investment by the City:

**Buildings and Facilities:**

- Fire/EMS Facilities – \$9.9 million
- Municipal North Renovation – \$2.0 million (cash funded)
- Police Building – Phase II – \$7.1 million
- Public Works Service Center – \$2.0 million (cash funded)
- Civic Facilities Phase II – \$15.7 million
- Victory Stadium – \$18.2 million
- Market Building – \$2.1 million (cash funded)

**Economic Development:**

- Art Museum – \$4.0 million
- Church Avenue West Parking Garage – \$7.2 million
- Riverside Center for Research and Technology – \$21.6 million
- Roanoke Centre for Industry and Technology – \$4.9 million

**Flood Reduction:**

- Roanoke River Flood Reduction – \$64.3 million

**Parks:**

- Greenways – \$3.4 million
- Neighborhood Park Improvements – \$2.8 million
- Multi-Purpose Recreation Center – \$7 million

**Schools:**

- Elementary School Improvements – \$10.6 million
- High School Facility Improvements – \$91.5 million

## Storm Drains:

Neighborhood Storm Drains – \$4.0 million

## Streets, Sidewalks and Bridges:

Bridge Renovation Program – \$2.1 million

Curb, Gutter and Sidewalk Program – \$6.6 million

Martin Luther King Bridge – \$2.3 million (Primarily cash provided)

When looking to the future, Mr. Stovall advised that Council was previously briefed on the status of existing projects that require additional funds:

## Fire/EMS Facilities – Phase I

Borrow funding from Roanoke River Reduction Project and repay over three years from additional Fire/EMS revenues

Public Works Service Center – Phase III – \$3 million with the intent that the project will consist of 5 – 6 phases

Municipal North – budgeted at \$2 million and may need additional funding; i.e.:

Funding currently budgeted will accommodate the planned relocation of City offices to Municipal North, but will not accommodate the total renovation of Municipal North.

## Potential new capital projects include:

Streetscapes and Traffic Calming – \$250,000.00 (per year) beginning in fiscal year 2006 – 2011

Library Facility – planning study results to be presented on April 12, 2005

Jail HVAC and Security – \$2.5 million

Courthouse Renovation/Expansion  
Housing Strategies

Upgrade of Radio system – \$10 million

The City Manager advised that the Roanoke Redevelopment and Housing Authority has been encouraged to consider moving its administrative offices into Municipal North and a floor plan was provided that would enable the Housing Authority to have first choice of available space; and over the past six to eight months the Housing Authority has indicated less of an interest in locating in the downtown area and has expressed an interest in establishing a satellite or outreach office which would be staffed on a part time basis. She further advised that some individuals have suggested that there could be a significant advantage to the Housing Authority, the School administration and the City administration offices being housed together, or in close proximity to each other, and depending upon the wishes of the Council, space requirements could be accommodated; however, it would not be possible to include all of the activities that were initially planned for Municipal North if the School administration and the Housing Authority administration were to be accommodated. She stated that the plans for Municipal North have not been presented to Council in the hopes of receiving a decision from the Housing Authority.

An observation was made by a Member of Council that the School Board is paying a significant amount of rent for space occupied by the Noel C. Taylor Alternative Education program at 3601 Thirlane Road, N. W. It was noted that those funds could be used toward renovation of the current School administration facility on Douglass Avenue, in order to house the Noel C. Taylor Alternative Education program, and the School administration office could be moved to a downtown site.

The Mayor advised that the matter could be added to the list of items to be discussed with the new School Superintendent.

The City Manager advised that if Council would like to pursue the matter, she would delay any further addition of tenants to the Municipal North site.

There was discussion with regard to courthouse expansion and renovation; whereupon, the City Manager advised that a master space needs study was completed approximately seven years ago that identified and prioritized space needs of the City; first on the list was the need for new and expanded space for the police department, the second priority was space for Social Services which was leased on Williamson Road, and the third priority was the courthouse. She called attention to recent correspondence from the Judges of the Circuit Court indicating that now that the Police building is under construction, they would like to see initial planning for courthouse renovation and expansion, therefore, funds will be included in the fiscal year 2006 budget to address the issue of space planning.

Question was raised as to whether the City of Roanoke was approached by Roanoke County with regard to participating in the regional jail project and whether the Roanoke City Jail could be expanded.

The City Manager stated that the Sheriff has advised that the regional jail concept was not mentioned in conjunction with the Roanoke City Jail. She advised that to her knowledge, the City of Roanoke was not contacted; if the City has future needs, it could approach the regional entity and ask for participation in the same way that the Western Virginia Water Authority was established; and a method to buy in at some point in the future would have to be determined.

The Mayor advised that at a monthly breakfast meeting with Roanoke County officials, it was stated by the City that no inquiries had been made to the City by any of the participants of the regional jail with regard to whether the City had an interest in participating in a regional jail, of indicating that the City would be open to considering any inquiries.

Mr. Stovall reviewed planned future City (paid for by the City) bond issues to be approved:

	<u>FY 06</u>	<u>FY 07</u>	<u>FY 08</u>
Art Museum	\$3.7M	----	
Downtown West Garage	\$2.6M	----	\$2.6M
(First downtown garage in 2006 will be located around the Campbell Avenue and Salem Avenue area and the second downtown garage is planned for the area around The Jefferson Center in 2008)			
Multipurpose Rec. Cntr.		----	\$6.7M
Fire/EMS Facilities		----	\$3.8M
Roanoke River Flood Red.		----	4.5M
William Fleming		----	\$20.0M
Total	\$6.3M		\$37.6M

Planned future School (paid for by the schools) Bond Issues to be approved include:

	<u>FY06</u>	<u>FY 07</u>	<u>FY 08</u>	<u>FY 09</u>
Fallon Park Improvements (Literary Loan	\$1.2M			
Monterey/Raleigh Ct. Improvements (VPSA)		\$2.0M		
William Fleming (VPSA/GO/Literary Loan			\$17.3M	\$6.8M
Total	\$1.2M	\$2.0M	\$17.3M	\$6.8M

Outstanding debt as of February 1, 2005:

• City General Obligation Bonds	\$115,535,483.00
• Enterprise Fund Debt:	
– General Obligation Bonds:	
• Civic Center Fund	9,870,000.00
• Parking Fund	<u>8,006,556.00</u>
Total Enterprise Fund Debt	7,876,556.00
• Capital Leases	930,673.00
• School General Obligation Bonds	48,332,891.00
• Qualified Zone Academy Bonds (QZAB)	1,800,683.00
• Virginia Public Schools Authority (VPSA) Bonds	32,965,344.00
• Literary Fund Loans	<u>5,438,000.000.00</u>
Total Schools	88,536,918.00
• Section 108 Loan	3,530,000.00
• General Obligation Debt Issued for Utilities	<u>33,435,000.00</u>
Total Debt as of February 1, 2005	\$256,314,630.00
• Less: Parking Fund Debt Considered Self Supporting	(8,006,556.00)
• Less: Section 108 Loan	(3,530,000.00)
• Less: General Obligation Debt to be Paid by WVWA	<u>(33,435,000.00)</u>
Outstanding Tax Support Debt	\$211,343,074.00

Assumptions on Debt and Funding of Debt Service:

The City has traditionally funded debt service on General Obligation bonds, whether for City or School projects.

The Schools have traditionally funded debt service on VPSA Bonds and Literary Fund Loans.

Capital Leases are considered tax supported debt of the City and are typically funded by the General Fund. (The Social Services Building lease is not considered tax supported debt since funded by the Commonwealth)

In analyzing tax burden, all such debt (including that of the schools) is considered tax supported debt of Roanoke due to vesting of taxing authority in the City.

Debt of Enterprise Funds (Civic Facilities and Parking) is considered self supporting and excluded from debt burden calculations to the extent such debt is supported by revenues generated by the Enterprise Funds.

General Obligation and Virginia Public School Authority bonds amortized using level principal and an interest rate of six per cent.

Literary Loans amortized at an interest rate of three per cent.

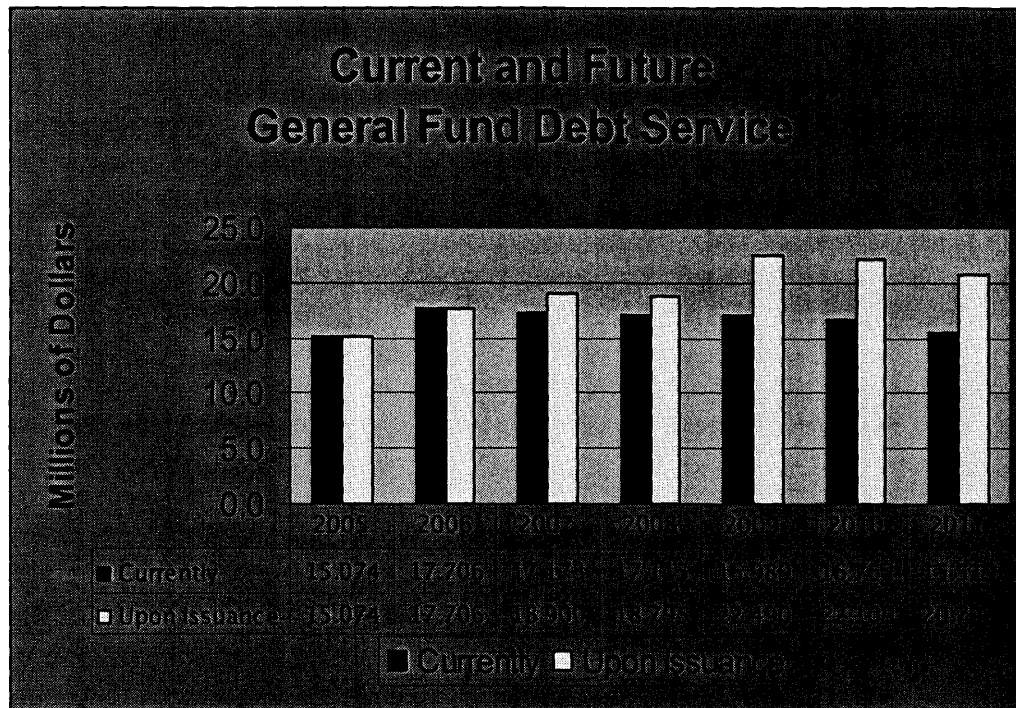
All debt amortized over 20 years.

Funding for debt service increases based on the following assumptions:

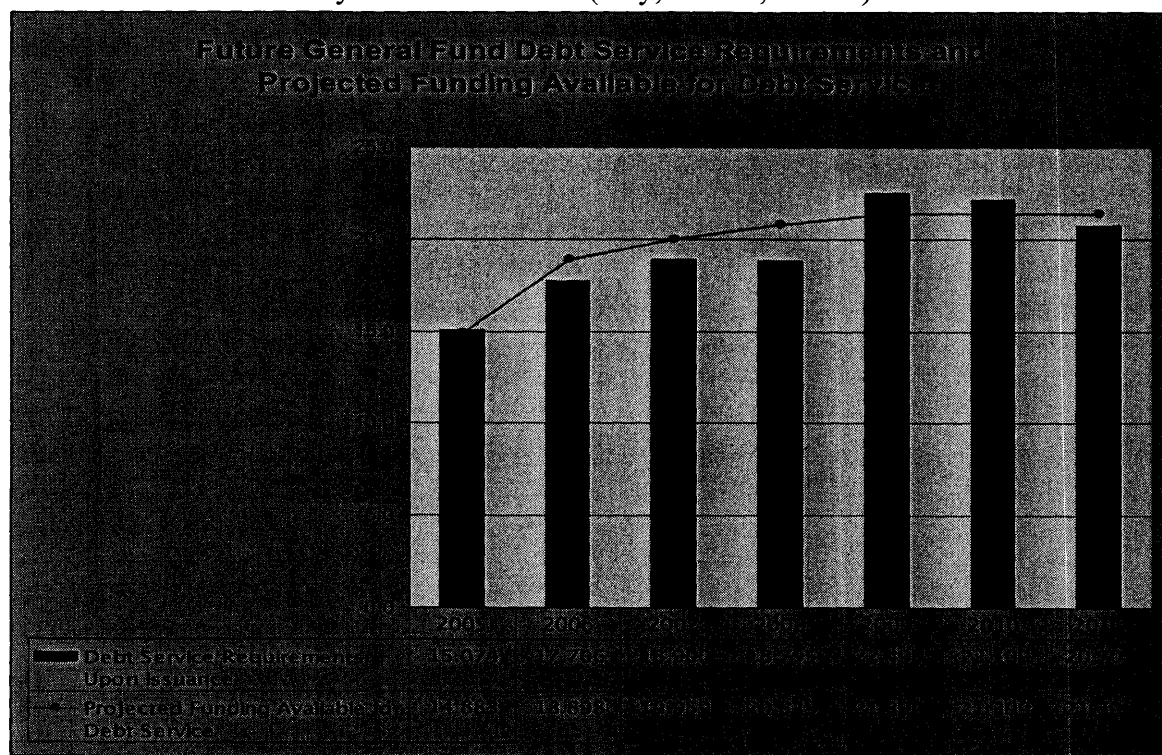
Increased funding of debt service of an additional \$570,000.00 per year through fiscal year 2009; and

Dedication to debt service funding of incremental increases in EMS fees through fiscal year 2007.

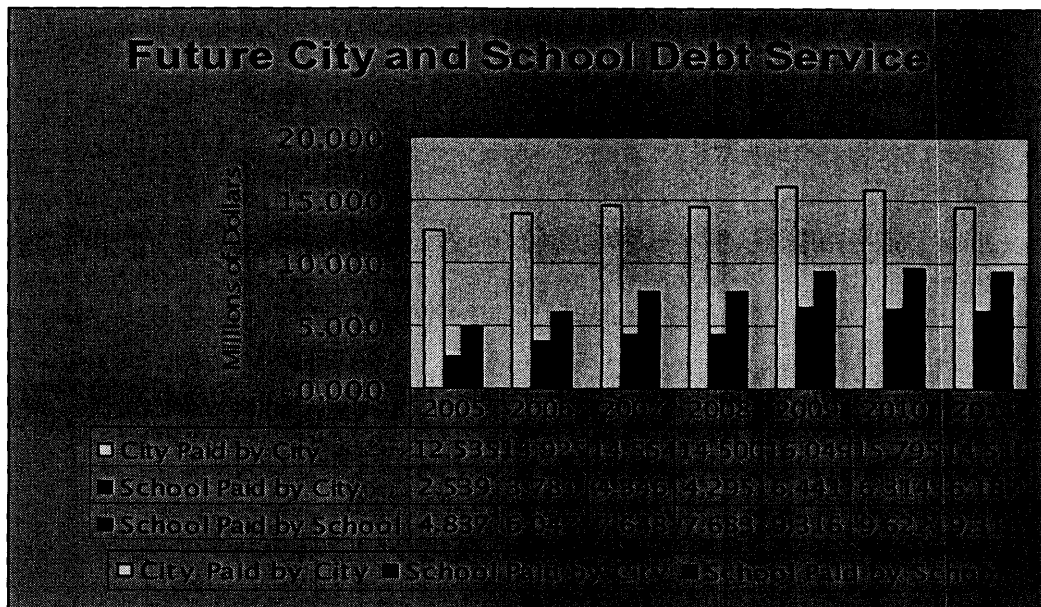
The following graphs were reviewed on Current and Future General Fund Debt Service, Future General Fund Debt Service Requirements and Projected Funding Available for Debt Service and Future City and School Debt Service.



Includes all debt funded by the General Fund (City, School, Leases)



Excess Capacity (Shortage)	-	0.191	1.192	1.059	2.034	-1.091	-0.710	0.696
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The Mayor advised that what the City does on its side of the budget to service the school debt should be captured as a part of the funding formula.

The following debt policies were reviewed:

Non–proprietary general obligation debt service will not exceed ten per cent of General Fund expenditures.

Net bonded debt will not exceed five per cent of the assessed value of real estate.

Net Bonded Debt is general obligation debt for the City and School Board, exclusive of self–supporting Enterprise Fund debt and the amount available in the Debt Service Fund.

Tax–supported debt will be structured such that not less than 50 per cent of aggregate outstanding debt will be retired within ten years.

Vice–Mayor Fitzpatrick entered the meeting.

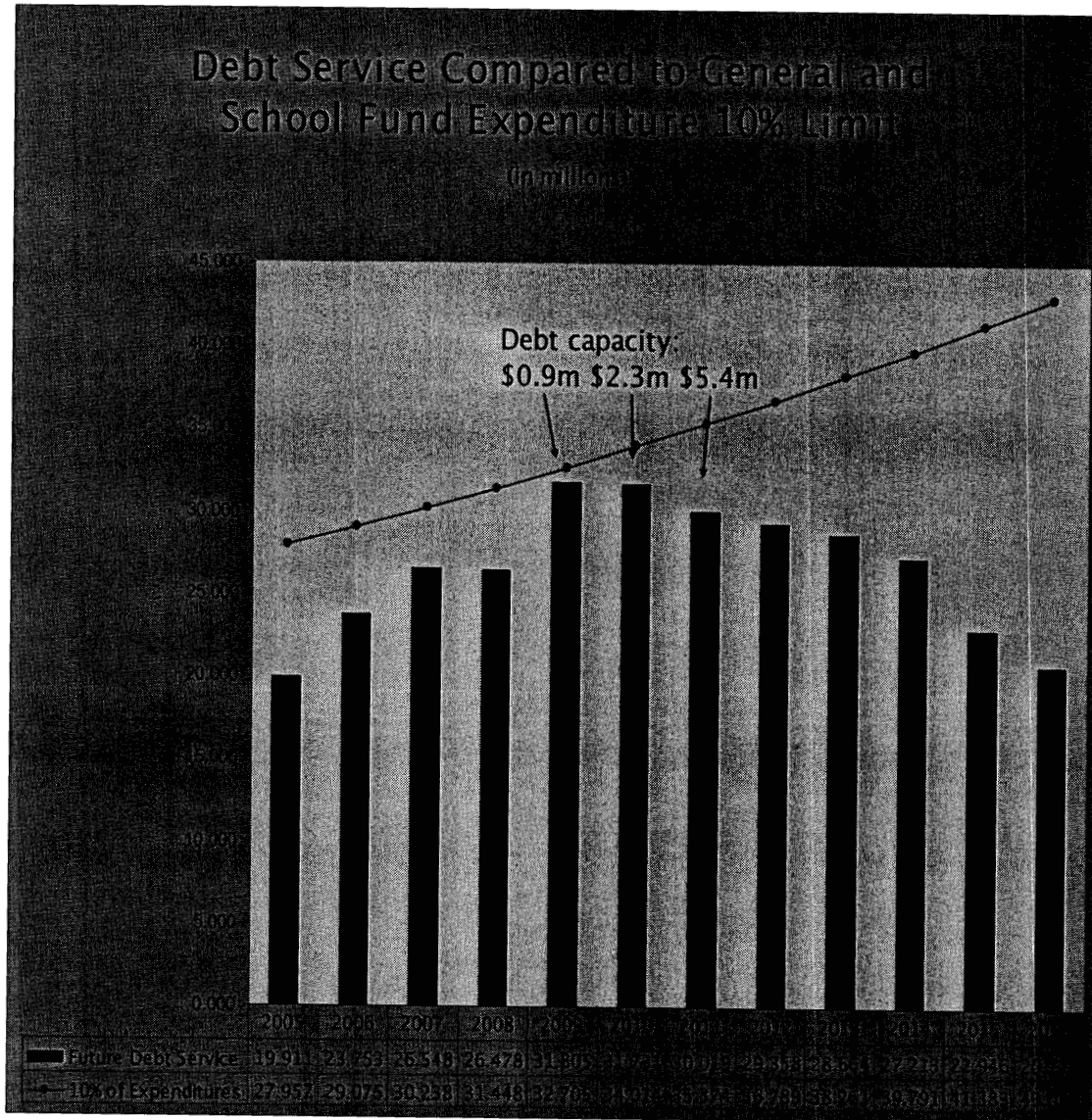


Ms. Shawver reviewed the following graphs: Ratio of Debt Service to General and School Fund Expenditures (10 per cent), Debt Service Compared to General and School Fund Expenditure Ten Per Cent Limit, Ratio of Net Bonded Debt to Assessed Value of Real Estate (five per cent), Reduction of Aggregate Debt Within Ten Years (50 per cent) which reflects issuance of planned future debt, and Debt Statistics of Urban Cities.

### Ratio of Debt Service to General And School Fund Expenditures (10%)

	<u>City Projects</u>	<u>School Projects</u>	<u>Overall</u>
• FY 2002	4.2%	2.4%	6.6%
• FY 2003	6.0%	2.9%	8.9%
• FY 2004	4.6%	2.5%	7.1%
• FY 2005	4.5%	2.6%	7.1%
• FY 2006	4.8%	3.4%	8.2%
• FY 2007	4.8%	4.0%	8.8%
• FY 2008	4.6%	3.8%	8.4%
• FY 2009	4.9%	4.8%	9.7%
• FY 2010	4.6%	4.7%	9.3%
• FY 2011	4.1%	4.4%	8.5%

Note: Assumes annual expenditure growth of 4%



### Ratio of Net Bonded Debt to Assessed Value of Real Estate (5%)

	<u>City Projects</u>	<u>School Projects</u>	<u>Overall</u>
• FY 2002	2.8%	1.7%	4.5%
• FY 2003	2.5%	1.5%	4.0%
• FY 2004	2.1%	1.5%	3.6%
• FY 2005	2.3%	1.9%	4.2%
• FY 2006	2.2%	2.2%	4.4%
• FY 2007	1.9%	2.0%	4.0%
• FY 2008	2.0%	2.5%	4.5%
• FY 2009	1.7%	2.4%	4.1%
• FY 2010	1.4%	2.1%	3.6%
• FY 2011	1.2%	1.9%	3.1%

Note: Assumes growth of 4% in assessed value of real estate.

### Reduction of Aggregate Debt Within Ten Years (50%) (Reflects Issuance of Planned Future Debt)

	<u>City</u>	<u>Schools</u>	<u>Overall</u>
FY 2005	72%	66%	69%
FY 2006	72%	65%	69%
FY 2007	75%	68%	71%
FY 2008	74%	65%	70%
FY 2009	77%	68%	72%
FY 2010	81%	71%	75%

## Debt Statistics of Urban Cities

Source: 6/30/04 CAFRs

Locality	General Obligation Bond Rating	Debt Service to General Fund Expenditures	Net Bonded Debt to Assessed Value Real Estate	Net Bonded Debt Per Capita
Roanoke	AA	7.13%	3.60%	\$1,754.00
Richmond	AA/A1	7.11%	3.34%	\$2,274.00
Hampton	AA	4.44%	2.36%	\$1,035.00
Lynchburg	AA	7.12%	3.27%	\$1,616.00
Newport News	AA	7.26%	5.37%	\$2,408.00
Norfolk	AA/A1	11.20%	3.97%	\$1,647.00
Portsmouth	AA/A1	6.67%	5.25%	\$2,218.00
Roanoke Co.	AA	5.63%	2.32%	\$1,480.00

The Mayor declared the meeting in recess at 12:15 p.m.

Council Member Lea left the meeting.

The Council's Financial Planning Session reconvened at 1:00 p.m., in Room 159, Noel C. Taylor Municipal Building, with all Members of the Council in attendance except Council Members Dowe and Lea, Mayor Harris presiding.

Mr. Stovall advised that building debt capacity in advance of meeting a certain level of funding for debt service creates excess debt funding that may be used for one time capital items; and for fiscal year 2006, the following projects are candidates for the use of debt excess funding:

Jail HVAC and Security

Streetscapes and Traffic Calming

Architectural Planning - Courthouse

Housing Strategies

Technology Enhancements

The following is the current status of attempts by staff to balance the fiscal year 2006 budget:

Preliminary Projection Revenue Growth	\$6,829,000.00
Priority Expenditures	10,040,000.00
Balance	(\$3,211,000.00)

Mr. Stovall advised that in connection with closing the budgetary gap, staff will look at potential revenue enhancements and explore potential cost savings; City departments were not asked to submit budgets with expenditure reductions as has been done in prior years, but departments were requested to provide a list of potential cost saving ideas.

#### Prior Year Revenue Enhancements:

##### Fiscal year 2005

##### Miscellaneous Fee Adjustments

##### Fiscal year 2004

##### Admissions tax:

Increased from 6.5 per cent to 9 per cent for events held at City-owned Civic Center and Stadium to support Civic Facilities Phase II

Reduced from 6.5 per cent to 5.5 per cent for events held at facilities not owned by the City.

##### Implemented Short-Term Rental Tax

Increased E-911 Surcharge from \$1.45 to \$2.00

##### Miscellaneous Fee Adjustments

Fiscal year 2003

Miscellaneous Fee Adjustments

Admissions Tax (increased from 5 per cent to 6.5 per cent)

Fiscal Year 2002

Cigarette Tax – increased \$.10 to fund curb, gutter and sidewalk projects

Transient Lodging Tax – Increased 1 per cent to provide additional funding to Convention and Visitors Bureau to market Roanoke as a tourist destination

Revenue options with regard to the current rate of various taxes, and the impact of a change in tax rates, are as follows:

	<u>Current</u>	<u>Maximum</u> <u>Rate</u>	<u>Rate Change</u> <u>Impact</u>
Real Estate	\$1.21	None	\$0.01=\$ 518,000.00
Personal Property	3.45	None	\$0.01=\$ 62,000.00
Utility Consumer	12%	20%	1%=\$ 1,116,000.00
Cigarette (20 per pack)	\$0.27	None	\$0.01=\$ 67,000.00
Transient Occupancy	7%	None	1%=\$ 21,000.00
Admissions	5.5%	None	1%=\$ 85,000.00
Prepared Food & Bev.	4%	None	1%=\$ 2,060,000.00
E-911	\$2.00	\$3.00	\$0.01=\$ 8,000.00
Motor Vehicle License	\$20.00	\$28.50	\$1=\$ 87,000.00
Cable TV Utility		7%	1%=\$ 207,000.00
Storm Water Mgt. Fee		None	\$1/month=\$500,000.00+

A one per cent increase in the prepared food tax would result in additional revenue of approximately \$2.1 million.

With respect to closing the gap for fiscal year 2009 to provide funding for the City's share of debt service for bonds to be issued for William Fleming High School, Mr. Stovall advised that staff previously recommended the meals tax as the funding mechanism; revenue derived from the meals tax comes from the fact that

restaurants that are located within the City of Roanoke serve as a regional attraction and the City captures approximately 49 per cent of the prepared food sales within the local area, including the City of Salem and Roanoke County; it is suggested that Council give consideration to increasing the meals tax three years early which would provide approximately \$1 million that could be dedicated to one time capital projects until the time that debt funding is needed for the bonds that were issued for William Fleming High School and the remaining portion could be used to address recurring operating expenditures and close the current budgetary gap.

Question was raised as to whether the City Manager plans to submit a recommendation on a source of funding for cultural agencies; whereupon, the City Manager called attention to an arts summit which is intended to bring certain options to the community for review, given what appears to be a movement by the General Assembly this year to look at funding some of the arts, as well as a proposed bond issue; therefore, this might not be the year to ask the General Assembly for legislative changes. She stated that at the art summit, Dr. Edward Murphy, President/CEO, Carilion Health Systems, has been requested to make a presentation on a survey that was conducted by Carilion in the Roanoke Valley and the New River Valley to determine the interest of the private sector in the arts as a component of economic development, and whether businesses in the two communities saw themselves as being more closely aligned with the arts. She advised that local arts organizations have indicated an interest in going through the activity and have requested the City's involvement and participation.

Vice-Mayor Fitzpatrick expressed concern that the City of Roanoke does not have a formal policy on allocation of funds to the various organizations, and it is the City's responsibility to determine local funding to the extent that Council believes that the funding is an appropriate use of taxpayers dollars. He encouraged that Council review the issue of funding and develop a policy that is in the best interest of Roanoke's taxpayers.

It was noted that there should be a way to show a connection between cultural arts funding and hotel room nights and/or restaurant sales.

The City Manager advised that if Council supports an increase in the transient room tax, staff can address some of the pending issues and prepare information focusing on a strategy to provide funding to arts/cultural organizations, the hotel/motel industry, a reduction in the real estate tax rate, and housing/housing initiatives in an effort to weave all of the issues together, with the understanding that they are directed toward expanding the City's tax base.

The Mayor advised that Council should keep in mind that during each budget cycle, the City has adjusted certain tax rates and imposed various fees, etc.; therefore, certain City fees and taxes are significantly higher than surrounding jurisdictions.

There was discussion with regard to reducing the City's real estate tax rate, and that any increase in the meals tax would also be paid for by persons who reside outside of the City of Roanoke.

The City Manager advised that Council could give consideration to reducing the real estate tax rate by a certain per cent in year one followed by further reductions, assuming that revenues stay at a certain percentage of growth over the next five years. She stated that this would set forth a plan of action that would ask the citizens of Roanoke to bear with the City while the City gradually starts to reduce the real estate tax rate by x number of cents over a period of two to five years.

The City Manager requested that staff be permitted to propose various options for consideration by the Council.

Council was asked to engage in a discussion with regard to other suggestions in connection with budget development as staff moves forward with the budget development process.

Question was raised with regard to future meetings to address budget issues; whereupon, it was the consensus of Council that the subject of budget balancing and other budget issues will be discussed at the March 7 and April 4, 2005, 9:00 a.m. Council work sessions.

Dr. Cutler expressed an interest in the completion of Master Plans and/or Management Plans for Mill Mountain Park and the Carvins Cove Natural Reserve, the Roanoke River potential park, and coordination by the City's Engineering and Parks and Recreation Departments.

The Mayor suggested that Dr. Cutler request a one on one briefing through the City Manager's Office with regard to the function(s) of certain City departments.



Vice-Mayor Fitzpatrick referred to Main Street through the Wasena area and the adjoining commercial district; and street lighting and sidewalks on Crystal Spring Avenue that would be designed along the same theme as Grandin Road to create more of a village center concept.

Dr. Cutler addressed the importance of coordination among various initiatives that are currently underway, such as the Public Arts Plan, the Library Plan, the Parks and Recreation planning process, the new zoning ordinance, the Cradle to Cradle housing project, the downtown master plan, and the housing study. He stated that there should be a vision for the City as a whole that makes the entire City a landscape for good art and good architecture, etc.; and the various plans should fit together and not be done prepared piecemeal.

Vice-Mayor Fitzpatrick encouraged the City to follow up on the second phase of the street car issue and identify economic benefits, etc.

Mr. Stovall addressed funding for economic development and community development funding initiatives. He advised that much discussion has centered around positioning the City for capital projects, completion of the housing strategic plan, and looking to the future, there is no dedicated funding source for economic development or community development initiatives. Therefore, he Stated that it is recommended that Council consider designating capital fund interest earnings and proceeds from the sale of property for economic development/community development initiatives; current capital funding balance interest earnings is approximately \$1.5 million; the City accrues interest at a rate of between \$50,000.00 – \$65,000.00 per month, depending upon the balance in the capital fund; therefore, it makes sense at this time to designate capital funds interest earnings as a funding source for such projects.

The City Manager advised that if Council is receptive to the proposal, staff will proceed accordingly as the budget is prepared for fiscal year 2005–2006.

Council Members spoke in support of the proposed funding initiative.

The Director of Finance presented information with regard to a Budget Stabilization Reserve Policy. He advised that current fund balance policies are encompassed within the City Code and the Council-adopted debt policy which includes a reserve for self-insured liabilities, capital maintenance and equipment replacement program (CMERP), and a reserve for debt service; fund balance policies do not include a budget stabilization reserve and finance best practices and bond rating agencies strongly encourage a Budget Stabilization Reserve Policy.

The Director of Finance presented the following summary of a recommended Budget Stabilization Reserve Policy:

- Establishes a reserve floor for the City's Budget Stabilization Reserve of five per cent of the adopted General Fund budget
- Establishes a reserve target of eight per cent of the budget
- Stipulates that the reserve may be used only upon authorization of Council or unforeseen emergencies or significant declines in revenues
- Stipulates that growth in the reserve would come from interest earned on the balance in reserve, as needed; other funding would be added from current year revenues in excess of expenditures
- Provides guidance in replenishing the reserve should it be utilized for an emergency or revenue shortfall; restoration to the floor would be made within three fiscal years; continued emphasis would be made on increasing the reserve to the eight per cent target

Additionally, he advised that:

- The reserve will be funded from debt service fund balance with no new funds required
- Applying the new policy, the June 30, 2004 reserve would be \$15.1 million or 7.1 per cent of the fiscal year 2005 adopted budget.
- The CMERP ordinance would be repealed.
- What was previously referred to as "CMERP" would become undesignated reserve; this balance could continue to be used on one-time purchases such as capital equipment.
- The self-insured reserve would continue to be maintained.
- Working capital in Proprietary Funds could continue to be used for asset/equipment replacement.

The City Manager advised that if Council concurs in the recommendation, a measure approving a Budget Stabilization Reserve Policy would be submitted to the Council for consideration at the Special Meeting of Council to be held on May 10, 2005, at which time Council will be requested to adopt various measures approving the City's fiscal year 2005 - 2006 budget, effective July 1, 2005.

The Mayor inquired if there were objections, questions or comments with regard to the proposed Budget Stabilization Reserve Policy. No questions or comments were raised.

The Mayor expressed appreciation to staff for their presentations which provided a good overview of the City's financial status.

There being no further business, the Mayor declared the meeting adjourned at 2:00 p.m.

A P P R O V E D

ATTEST:

Mary F. Parker  
City Clerk

C. Nelson Harris  
Mayor

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